INDUSTRIAL SITING

PILOT PROJECT

FINAL REPORT / PREPARED BY ABAG AT THE REQUEST OF THE GOVERNOR'S OFFICE OF PLANNING & RESEARCH / ABAG ASSOCIATION OF BAY AREA GOVERNMENTS

FINAL REPORT

INDUSTRIAL SITING PILOT PROJECT

SAN FRANCISCO BAY AREA

Prepared by the

Association of Bay Area Governments

Industrial Siting Task Force

for the

Governor's Office of Planning and Research

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INDUSTRIAL SITING TASK FORCE

Hon. Susanne B. Wilson (Co-chairperson)
Vice Mayor, City of San Jose

Hon. Lenard E. Grote (Co-chairperson)
Councilmember, City of Pleasant Hill

Hon. Richard Brann
Supervisor, Solano County

Ms. Helen Burke
East Bay Municipal Utility District
Director/Sierra Club

Mr. John F. Crowley
Secretary-Treasurer
San Francisco Labor Council

Mr. Daniel T. Daggett
Vice President and General Manager
Southern Pacific Industrial
Development Company

Mr. Angelo J. Siracusa
Executive Director
The Bay Area Council, Inc.

Mr. Dwight Steele
Attorney/Environmentalist

Dr. Lila Gonzalez
Chairperson, Planning and
Transportation Committee
Confederacion de la Raza Unida

Mr. Wilbur W. Hamilton
Executive Director
San Francisco Redevelopment
Agency

Hon. Joyce A. Jackson
Mayor, City of Albany

Hon. Margaret Kozkowski
Councilwoman, City of San Bruno

Ms. Holly O'Konski
League of Women Voters

Mr. Michael R. Peevey
Executive Director
California Council for Economic
and Environmental Balance

Hon. John Tuteur
Supervisor, Napa County

Mr. Donald Vial, Director
California State Department of
Industrial Relations

Members of the Industrial Siting Task Force were appointed as individuals. Organizational affiliations are listed for information purposes only.

ADVISORY MEMBERS

Mr. Joseph C. Houghteling
Chairman
Bay Conservation and Development
Commission
(Alt: Mrs. Bessie Watkins)

Mr. C. Norman Peterson
Board Member
California Regional Water Quality
Control Board

Ms. Louise Giersch
Chairman
Metropolitan Transportation
Commission

Mr. Ralph Mead
Bay Area Air Pollution Control
District

ACKNOWLEDGEMENTS

Staff to the Industrial Siting Task Force:

Charles Q. Forester, Director, Plan Implementation, ABAG
John G. Mackie, Project Manager, OPR
Gordon Jacoby, ABAG
Pauline Ng, ABAG
Sue Dee Shenk, OPR

OPR direction provided by Dean Misczynski

Contributing Staff

Cartography and Graphics:	Don Olmstead: Director Information Services, Stephenie Wilson, Charlene McIntyre, Jeanne Perkins, Ross Turner, Margie Faulkner, Charna Staten (photographs)
Analysis and Research:	Stan Hoffman: Director Analysis and Data Management, Paul Wilson, Dennis Wamben, Philip Lankford, Dale McNabb, Ron Bass
Preparation:	Yvonne Young: Correspondence Center Supervisor, Yvonne McGough, Kay Janz, Cheryl Polk, Audrian Will, Mary Kay Winton, Laurel Daniels, Paulette Love
Printing:	James Lowe: Print Shop Supervisor, Tim Robinson, James Hilts, Julie Cataland, Benita Farmer

SENIOR ABAG STAFF	SENIOR OPR STAFF
Revan A. F. Tranter Executive Director	William Press, Director
Dean L. Macris Associate Executive Director	Michael L. Fischer Deputy Director

FOREWORD

The Final Report of the Industrial Siting Task Force of the Association of Bay Area Governments is herewith submitted to the Governor's Office of Planning and Research. It completes a project begun eleven months ago by a diverse group of individuals concerned with the siting of major new industrial facilities in the Bay Area. Simply put, the report proposes regional actions to attract major industrial facilities to the Bay Area in a manner which complements the region's economic, social and environmental goals. The report is not an industrial location plan. It is a blueprint for a plan. More work and many difficult choices still face us before a plan is actually developed. We believe such an effort can significantly contribute to the region's well-being.

At the outset of the Industrial Siting Pilot Project, the task force asked several important questions:

> How can industrial site planning improve the economic vitality of the Bay Area?
>
> How can a plan assist local governments in locating industry?
>
> Can a plan improve the region's ability to locate industry in areas of minimal environmental impact and maximum social and economic impact?
>
> Can a plan expedite the selection/permit process without creating additional bureaucratic hurdles?

This report provides responses:

Industrial site planning can improve the economic vitality of the Bay Area. With a siting plan we can offer incentives to prospective industry. One incentive government can provide is a resolution of some potential conflicts in the regulatory review process, before a specific project is proposed. Another incentive is some solution to the air quality regulatory problems which could be a potential barrier to future industrial growth.

The plan can be used by local government to attract industry to the region. Today, a local effort to attract industry cannot always be coordinated with the policies and plans of regional or state regulatory agencies. The plan provides an opportunity for local officials to work out potential development problems of industrial sites with these agencies in advance of development.

The plan can improve the region's ability to influence industrial location decisions by creating incentives for those sites the region considers best suited to industrial growth with minimal or no environmental hazard. Today, there is no systematic way for local governments to indicate to industry the regional opportunities and certain regional problem areas.

The plan can expedite the permit process by maximizing clarity, speed, efficiency and cooperation by local, regional and state regulatory agencies. Currently, the governmental review process itself can be a disincentive.

Chapter I of the report introduces the subject of industrial siting in the Bay Area and describes the issues as the task force saw them. The chapter also contains a summary of the task force's recommendations. Chapter II discusses the Industrial Site File, based on existing local plans and zoning, which contains a broad range of current information about vacant industrial lands. Chapter III reviews the Industrial Development Permit Directory prepared in this pilot project. It also reviews recommendations for improving the permit process. Chapter IV outlines the Industrial Location Plan which the task force recommends be prepared.

The proposed plan details how incentives could be used to attract industries that are beneficial to the Bay Area. Chapter IV discusses such incentives as an early identification and resolution of development issues, coordination of local, regional and state permit agencies, an efficient permit review process at all levels, air quality trade-offs, tax benefits and other financial mechanisms.

We believe the report contains a number of ideas which can lead to significant improvements in the way the region affects the location of major industrial facilities. We commend this report to you as a first step in a difficult but necessary process.

Lenard Grote
Co-Chairperson, ISTF
Councilmember, Pleasant Hill

Susanne B. Wilson
Co-Chairperson, ISTF
Vice Mayor, San Jose

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CHAPTER I

INTRODUCTION

This Final Report of the Industrial Siting Pilot Project has been prepared by the Association of Bay Area Governments in response to a request by the Governor's Office of Planning and Research (OPR). The project has been conducted under the direction of the Industrial Siting Task Force, a 16-member policy committee composed of representatives of local government, business, labor, environmental and community organizations. In addition, representatives of the Bay Area Air Pollution Control District, Bay Conservation and Development Commission, Metropolitan Transportation Commission and Regional Water Quality Control Board served as advisory members and participated in the deliberations of the Task Force. The Task Force has been charged with evaluating a proposal by OPR to require industrial site planning in urban regions of California and with "testing out" several approaches to the problems of industrial siting. The report presents information about problems, several approaches that were explored, and actions recommended to address the problems.

The report has been submitted for review by the Task Force and members of the public. The report was adopted by the Task Force on February 17, 1978. The report will be forwarded to the ABAG Regional Planning Committee and the ABAG Executive Board with a request that they endorse the report. The report will finally be forwarded to OPR for their consideration.

This report addresses four major issues:

- Public goals for major industrial siting;
- The present system for obtaining permits from regulatory agencies and local governments;
- More advanced information to prospective developers about conditions likely to be encountered at different sites; and
- Economic development planning at a regional level.

The Pilot Project was undertaken in response to growing concern for maintaining the economic vitality of the region at the same time that progress toward environmental goals is being achieved.

In the past ten years Americans have been increasingly concerned about their environment. Government at all levels has been called upon to help clean the air and the water. In response, new agencies were created to deal with these problems, major new developments have been required to prepare environmental impact documents and a variety of permits are now necessary prior to construction.

Implementing new environmental standards has had an impact on all types of development: residential, commercial and industrial. Projects have experienced delays, added costs, and in some cases stoppages. An often cited example is the Dow Chemical facility, proposed for southern Solano County, which was denied permits by the Bay Area Air Pollution Control District because of excessive air pollution in the vicinity of the project. At the same time the air and water have gotten cleaner as a result of efforts to achieve environmental standards.

Growth results in pressure for physical expansion. For California and the rest of the nation, this situation holds opportunities for increased employment and improved fiscal strength. But industrial development, in particular, also presents potential environmental problems.

In the past, Federal and State legislation has been enacted without an adequate understanding of the complexities and burdens of local governments. This Pilot Project represents an important departure in that a council of local governments has been asked to review proposals with important potential impact on them and the region as a whole. This report represents the ideas and concerns of a regional task force that has been examining the problems for approximately 11 months.

The succeeding chapters of this report describe industrial siting problems and their possible solution. The report identifies actions that would be required of a variety of public agencies in order to carry them out.

The Pilot Project has acted as a sort of dry run for aspects of an industrial siting plan. But it cannot be emphasized too strongly that the products of the Pilot Project are not a final industrial siting plan. From the data gathering stage to implementation, much work must still be done. The site file discussed in Chapter II provides an important basis for planning, but it is limited by what was readily available to the Pilot Project. Better awareness of the locational advantages of the Bay Area must be developed in close consultation with industry if a plan is to succeed in influencing locational decisions.

Finally and most importantly, the decisions on area-specific regional policies contained in a plan will only result from negotiations among local, regional and State interests--both public and private. The plan should reflect a consensus which results in faster approval for better industry and attracts industry to the Bay Area but does not lessen environmental protection. The Task Force was only the beginning of consensus.

A. ISSUES IN BAY AREA INDUSTRIAL SITING

The controversy surrounding industrial siting in the Bay Area has most often been described as jobs vs. the environment. Without minimizing the importance of either, nor the conflict which may arise between these two values, the question is more complex than either. Nor is siting

just a question of a few large plants not getting speedy approval of their permits. Siting is a process which touches many issues and offers a number of opportunities to address a broad range of regional concerns.

The following are issues or key problem areas which are considered important in the formulation of regional policies and actions for industrial siting. It is recognized that it may not be possible to adequately address all concerns by one process. In some instances objectives may compete with each other and some means for conflict resolution must be identified. In other cases different objectives may suggest different, but not necessarily inconsistent, public actions. A plan for industrial siting should, however, seek to address each issue.

1. Protecting the Environment

The Bay Area enjoys many natural advantages for both its industry and its residents. But it is also a fragile environment and like many urban areas, it has been degraded by urbanization and development. To threaten the environment also threatens important attractions the Bay Area has for industry: lifestyle, climate, etc. As a result stringent standards have been established for some conditions, and regional, State and Federal agencies have become involved in regulations. At the same time many environmental conditions are not tied to a regulatory system, but they are no less significant. Many of these fall in the category of geological and hydrological conditions and might be addressed as cost constraints on development. Many conditions are also addressed through mitigation requirements imposed in the EIR process rather than by permit review. The Pilot Project identified as many environmental conditions as possible on which industrial development might have an impact. It is felt that an industrial siting plan should include guidelines which can then be established for development of industrial facilities on available sites consistent with environmental protection.

It is also important that the development of individual sites and facilities be related to the larger context of Bay Area environmental management. The Pilot Project is being undertaken at the same time as the regional Environmental Management Plan (EMP) is being prepared by ABAG. The EMP will include strategies for dealing with air and water quality and solid waste and these, in turn, could affect industrial development. For its part the EMP must not have such onerous economic impacts that its implementation is infeasible.

Environmental protection is one of several vital public goals. The well-being of Bay Area residents depends on the continued enrichment of many aspects of their lives. Hopefully, public debate and decision-making provide a means for making the incremental choices which will balance environmental, social and economic goals. The choice is not between environmental quality and an urban wasteland or between environmental quality and economic disaster. It is a matter of timing, emphasis, cost and benefit. The issue is what the appropriate steps are to achieve environmental protection in the context of many values.

2. Identifying Environmentally Acceptable Sites

The Pilot Project spent considerable time collecting information regarding available industrial land and the environmental constraints or conditions with regard to that land. The information was collected in a format to allow comparison among sites so that the most acceptable sites could be identified for development. But perhaps the most important acceptance comes from various environmental regulatory agencies in the Bay Area in their review of specific projects. By and large these agencies are responsible for protecting a specific aspect of the environment. Most often, their legal authority neither allows them to permit the "least worse" among options nor allows their charge to be compromised with other, admittedly important values (such as jobs).

The primary environmental constraint to major manufacturing development appears to be the air quality standards administered by the Bay Area Air Pollution Control District (BAAPCD). In discussing air quality standards with the Task Force, staff of the BAAPCD indicated that virtually all of the Bay Area is a non-attainment area for oxidants and particulates. The implications of this are that any major new facility which contributes to the oxidant or particulate problems would not likely be permitted to operate anywhere in the Bay Area. Many basic industries such as auto assembly plant, petrochemical refineries or steel mills have significant emissions of those substances which make up oxidant and particulates. It must be emphasized that this is under existing regulations. Either the adoption of a broader "off-set" policy or advances in technology could change the situation.

For facilities with other emissions there appear to be portions of the Bay Area that are attainment areas and could accommodate new facilities using the best available control technology. At the present time it is not known how many major industrial facilities will not have oxidant or particulate problems.

The Bay Conservation and Development Commission (BCDC) has already done considerable work to identify the appropriate kinds of development for areas on the Bay. In so doing BCDC has had to make the kinds of environmental choices, from the perspective of Bay conservation, which must be made for the entire Bay Area.

It is also increasingly clear that certain portions of the Bay Area have special locational advantages for major industries. The most obvious example of this is southeast Solano County. A number of major basic industries have proposed developments along the waterfront between Collinsville and the eastern border of the County. This area offers deep water access and substantial open land for development. These factors are not available in many other parts of the region. At the same time development of this area raises major air quality and resource management issues. Thus, there may be a clash between acceptability to industry and environmental acceptability.

The issue becomes complex. For certain air quality considerations it appears that no sites in the Bay Area are acceptable as the regulations are presently administered. At the same time it appears that certain major industries with special locational requirements can locate only in areas which already experience some of the greatest environmental problems. Identifying sites and a number of factors related to sites can be a means of providing industry with useful advance information, but it may not assure that all major developments will find a site in the Bay Area that suits their needs and receives environmental regulatory approval.

3. Attracting Industry to the Bay Area

The continued economic well-being of the Bay Area is of concern to all. Californians enjoy a standard of living exceeded by few in the world. A healthy economy not only means jobs for Bay Area residents, it also provides the resources for government and with which such programs as cleaning up the environment can be undertaken.

To a certain extent, all economic activity has a multiplier effect. Some industries, however, have a greater impact because they bring in resources from outside the region. These "priming" employment activities are often referred to as "basic" or "exporting" industry. It is industry which derives most of its income from sales to other industries, and to customers outside the region. Generally such industries choose to locate in the region for the variety of market advantages the region has over other regions. Therefore, one of the foremost concerns of the Task Force has been attracting major new industrial facilities which can help to maintain and strengthen the Bay Area economy. Particular attention has been given to industries such as petrochemical, electronics, auto manufacturing and steel. This is based on the recognition that certain industries are vital to a region in generating new jobs, improving the tax base and stimulating additional industrial and commercial growth.

In some instances recently industries that could locate in the Bay Area have chosen to locate elsewhere. To deal with this issue the Pilot Project looked at public actions that could be taken to favorably influence locational decisions by either creating incentives or removing stumbling blocks. If Federal environmental standards are administered more strictly in the Bay Area than elsewhere in the nation, industry will tend to be attracted to other areas. The Task Force urged the U.S. Environmental Protection Agency to assure that this not happen. In a recent letter, EPA Administrator Douglas Costle indicated that environmental standards would be uniformly applied nationwide. This provides some assurance that the Bay Area is not disadvantaged by administrative inconsistency.

It is recognized that the Pilot Project is limited in some important ways in seeking to influence locational decisions by industry. Many critical factors such as labor and business taxes are outside the

purview of the project because they are not susceptible to action by regional agencies. State action and, in some instances, Federal action, may be required to change factors that contribute to an industry's decision to locate in the Bay Area as opposed to elsewhere. But employment in basic industries can and should be addressed as a regional goal, and that has been the primary challenge of this Pilot Project.

4. Employment in the Bay Area

The Bay Area unemployment rate remains higher than the state and national average and is a matter of regional concern. At the same time the job creation rate has also remained higher in the Bay Area (and California) than it has nationally. Jobs have simply not kept pace with job seekers, nor are they expected to in the near future. This appears to be due to a number of factors: the "baby boom" of the late 40's has entered the job market; women and younger persons are increasingly entering the labor market; there has been a high rate of migration to California from other states; unemployment has remained high among minority groups; job skill requirements continue to change. The result of this is continued pressure to create new job opportunities for persons in the Bay Area without adequate work. A lack of jobs may have the effect of stemming the in-migration to California.

ABAG's Series 3 Projections indicate the continued growth of jobs in certain sectors, such as the service and government sectors, and a stabilization or a relative decline of jobs in other sectors, such as manufacturing and processing. Most, but not all, of the fastest growing industries are in sectors other than manufacturing. Electronics is an obvious exception. In examining these trends it is important to recognize the many unknowns that occur in technological development and industrial growth and that projections are really extensions of historic trends. For example, twenty years ago few would have projected the enormous growth of the electronics industry in the Bay Area. The project recognized that industrial development alone cannot be relied upon to solve all the pressing economic problems of the Bay Area and defined its concern for employment accordingly: where and how can industrial development be located to accommodate the expected needs for employment in the basic industrial sectors.

5. Siting Industry Within the Bay Area

Industrial siting raises the issue of locating a given facility at the most advantageous sites within the region. The Pilot Project devoted a great deal of time to the collection of data to describe variations among sites in the region and discussed environmental, social, and economic policies which could be used as means for assigning value to various kinds of data and hence, various locations. For example, it might be said that jobs should be located near workers or jobs should be created near areas of unemployment and that transportation system capacities and energy availability ought to be considered. Or it might be said that industrial location should not exacerbate fiscal disparities among localities. Various hypotheses were tested, and maps were prepared that identified those sites meeting certain criteria.

Older cities with high concentrations of unemployed people have limited industrial land suitable for major development and, in fact, are most concerned with stemming the flow of business out of these cities. Other areas see themselves increasingly becoming bedroom communities with no industry and jobs, and most of their land is committed to residential development.

Still others are developing large areas of industrial land but require workers to live elsewhere because of insufficient land for residential development. The problems of matching industrial growth to areas of need for jobs or tax base increases exist throughout the region. High growth industries, such as electronics, are choosing to locate in areas with relatively few housing opportunities. Cities such as San Francisco are growing economically in sectors, such as finance, insurance and real estate, which do not match the job needs of their unemployed residents. Major new capital intensive industrial development has been proposed for portions of Solano County that are distant from existing population centers in the County.

The location of basic industry is particularly key in the development of the region. The relationship of these locational decisions to the shape of the region and its economy is summarized in a report entitled "Basic 'Controlled Trends' Zonal Forecasts 1965-1980-1990," prepared for the Bay Area Transportation Study Commission in 1967:

> The basic sector, characterized by activities with strong dependence on interregional transportation facilities, special site requirements, or significant interindusty linkages, is seen as the priming agent in the locational process. Decisions regarding the location of manufacturing plants, the major administrative centers of business and government, universities and research centers, or the air, water and ground transportation terminals that link the region with the rest of the world are assumed to have a priority in the sequence of development and in the competition for urban land...the population-serving sector comprises that portion of the economy regarded as being dependent upon the location of the nighttime residential population and daytime location of workers. This sector is typified by retail trade, most personal and business services, and the various functions of local government.

As noted before, many basic industries have specific site requirements, and if they are unable to develop in the selected site they are likely to locate outside of the Bay Area. In addition, when these industries do make locational decisions consistent with existing environmental problems, they might well be pushed away from existing concentrations of people and development. This runs counter to many regional development policies and concerns of the Task Force for relating industrial development to residential concentrations.

The issue becomes how the region can, or should, allocate industrial uses throughout the region to achieve a number of social, economic, and environmental goals. To relate industrial development within the region to other activities such as housing and open space requires making choices among Bay Area sites and developing methods for implementing such choices. This aspect of the Pilot Project raises important questions about how the region will choose to make decisions concerning the uses of land for industrial development, as well as other activities.

6. Governmental Processes and a Regional Role

In recent years, criticism has often been directed not so much at environmental goals, but the government process that enforces those standards. Government itself is seen by some as an impediment to job creation. The process is seen by many as poorly defined, with often conflicting goals, undependable rules and a multitude of actors. There is no place where the competing interests and objectives can be discussed and the issue resolved. The problem is improving the consistency, speed and coordination of the many governmental agencies which have a role in industrial development. At the same time it is evident that many issues need to be addressed at a regional level and from a perspective broader than a single regulatory responsibility.

Many regulatory agencies are regional in their authority but there is no regional framework to which all are tied. Air and water basins and the Bay itself are regional. The region functions as an economic entity, and the concept of basic industry implies a regional context. Some regional planning for industry is already being done and implemented by the State, BCDC and other agencies.

The concern of the Pilot Project, therefore, is to determine an effective, comprehensive regional role to influence industrial development in a way which supports a range of economic, social and environmental goals. Existing regional authority is fragmented and some consolidation of that authority may hold the best hope for solution. However, councils of government traditionally have possessed limited powers of implementation and rely on persuasion and cooperation; existing State and Federal environmental laws provide unclear guidance in allowing coordination and adjustment of conflicting regional concerns; local prerogatives must continue to be respected. In addition, an important premise of the Pilot Project has been to avoid further complicating the regulatory process and to not over-ride the authority of local government in land use. All this requires that the regional role in industrial siting be carefully plotted, as it will function within a very delicate and complicated circumstance in developing an industrial siting plan.

To Summarize the Issues Raised:

1. What steps can be taken to encourage industrial development and environmental protection in the context of many values?

2. Given existing environmental regulations, particularly air quality standards, to what extent can acceptable sites be identified for the development of major industrial facilities?

3. What public action can be taken to improve the attractiveness and competitive advantage of the Bay Area for new and needed industries?

4. How can industrial development be located to accommodate the expected needs for employment for the basic industrial sectors?

5. How can locational choices on sites within the Bay Area be influenced to achieve the use of industrial lands consistent with regional, social, economic and environmental goals and policies?

6. How can local, regional and State agencies best participate in an early identification of appropriate locations for industrial development and an efficient resolution of decision processes?

B. CONCERNS OF THE TASK FORCE

The Task Force recommends that the following be the objective of industrial siting to be undertaken at the regional level:

> To encourage and facilitate the siting of major industrial facilities that provide employment and business opportunities, expand the tax base, and improve the economic well-being of the region and to assist industry to meet environmental goals. In carrying out this objective the following are of concern and should be considered:
>
> - Reduce chronic unemployment and improve job opportunities;
> - Meet the needs of industry;
> - Make wise use of physical resources;
> - Increase job-home proximity and transit use in order to reduce commuting; and
> - Promote fiscal stability and minimize additional public infrastructure costs.

C. ECONOMIC/DEMOGRAPHIC CONTEST

This section is intended to give a brief overview of the economic, demographic and land use context in which a discussion of industrial siting must operate. A more detailed overview is contained in Appendix A. Population, Labor Force, Industrial Growth, Land Use and Transportation data are considered. The overview will reflect both existing conditions

and trends, where available and relevant. It will also reflect differences among the four Standard Metropolitan Statistical Areas (SMSA's). For more detailed analysis, reference should be made to ABAG's Series 3 projections. The distinction between "basic" industry and "local-serving" industry is the same one drawn in the preceding discussion. "Manufacturing" is used to mean activity in ABAG's Employment Groups 3 through 8 (printing, heavy industry, food processing, high technology manufacturing, metal fabrication--machinery--transportation equipment, and miscellaneous manufacturing) and are a part of basic industry.

Basically the economy in California is improving and growing at a rapid pace--more rapid than the rest of the nation. More jobs are being created but the unemployment rate is dropping slowly. The following points should also be considered in understanding the context of industrial siting:

- While job creation is increasing, labor force is growing at a faster rate than population.
- Population and labor force will continue their concentration in SF-O SMSA through the year 2000.
- Bay Area unemployment continues at a higher level than the national average.
- The largest number of unemployed persons is among the non- or semi-skilled worker.
- Unemployment tends to be concentrated in the older urban areas.
- It is expected that there will be an increasing percentage of professional/technical positions while the proportion of crafts and operator positions is expected to decline.
- Bay Area residents are traveling further to their jobs than they were five years ago.
- It is expected that employment growth will outstrip housing growth in Santa Clara County while in Solano County housing will outstrip employment growth.
- Santa Clara and Alameda County have been increasingly favored by industry as locations for large manufacturing facilities.
- 55.2 thousand acres are now in active industrial use while 62.3 thousand acres zoned industrial are vacant.
- Over 1/3 of available industrial land is located in Santa Clara and Alameda Counties.
- It is expected that San Francisco-Oakland SMSA will continue to have the largest number of basic industry jobs.

- Each job in the basic sector generates almost 2 jobs in the service sector.

- Basic employment is expected to grow by 20-30% between 1975 and 2000.

- Manufacturing employment represents 17% of all persons employed and is projected to represent 17-19% in the future.

- Employment in manufacturing is expected to shift increasingly to high technology and electronics manufacturing. Food processing employment is projected to decline the most among manufacturing industries.

- Manufacturing industries in the Bay Area expected to grow faster than the national rate are chemicals, electronics, and electrical equipment. Industries expected to grow slower than the national rate include food processing, paper and printing, and petroleum.

D. SUMMARY OF RECOMMENDATIONS

The following is a summary of the recommendations from the Industrial Siting Task Force as contained in this report. Although the report is prepared for the Governor's Office of Planning and Research, recommendations have also been directed at local governments, ABAG, regional and State regulatory agencies and the State and Federal governments at large. In a sense the report must be read in its entirety as a recommendation and regional response to the problems of industrial siting. Again, this report is not a plan; rather, it discusses the processes and principles that should be used in preparing a plan and how a plan would be utilized. The individual recommendations listed below are explained in greater detail in each of the following chapters.

Chapter Two

Chapter Two recommendations are concerned with ways ABAG should improve the content and usefulness of the Industrial Site File developed during the Pilot Project. The Site File can be used as the basis for public decisions in industrial siting and provides industry with valuable advanced information on available industrial sites in the Bay Area.

1. ABAG should make additions and corrections to the existing Site File information to increase the usefulness and reliability and have the information verified by cities and counties.

2. ABAG should develop a regular system of updating the Site File.

3. ABAG should prepare new computer programs that make the Site File more helpful for potential users. Preparation of programs to provide maps of the information, to permit the user to submit questions directly to the computer, and to help analyze the needs of specific industries to the sites would have top priority.

4. ABAG should prepare a graphic brochure of the available industrial sites in the Bay Area.

Chapter Three

Chapter Three recommendations are concerned with methods of improving the permit granting process by making it clearer and more efficient. A number of the recommendations support the actions now being undertaken by regulatory agencies to carry out AB 884.

1. OPR and ABAG should encourage State, regional and local agencies to create a users brochure that provides information on permit review procedures and a flow chart illustrating the review steps.

2. OPR and ABAG should encourage continued review of each agency's processing procedures.

3. OPR and ABAG should encourage agencies to rewrite, where necessary, those regulations that are presently difficult to understand.

4. State and regional agencies should participate in the preparation of a master application form.

5. All agencies likely to review a permit for the same project should participate in joint pre-application meetings with the applicant.

6. OPR and ABAG should encourage agencies to develop an informal procedure where staff can give an early indication to an applicant when their project clearly cannot meet permit requirements.

7. OPR and ABAG should encourage regulatory agencies to provide clear and specific information on how their agency's decisions will be made. The reasons for the final decision should be provided in writing to the applicant.

8. Regulatory agencies likely to review applications of same project should participate in consolidated public hearings.

9. OPR should provide financial support to develop a process of permit coordination which would provide information and technical expertise, inter-agency coordination and resolution of major problems.

10. ABAG should encourage local agencies to centralize and coordinate their permit procedures.

11. ABAG and State agencies should study the potential for the consolidation of regional regulatory agencies.

Chapter Four

Chapter Four recommendations are concerned with preparing an Industrial Location Plan. The purpose of the plan is to resolve as many potential conflicts as possible about siting decisions in advance of actual development proposals and in a manner consistent with regional goals.

1. ABAG should prepare an Industrial Location Plan containing overall policies integrated with the ABAG Regional Plan and a Specific Facility Siting component which addresses the particular problems of Facilities of Special Concern.

2. Regional and State environmental regulatory agencies should participate in the planning process in an attempt to integrate their policies with an Industrial Location Plan. In particular the air quality planning should incorporate the Industrial Location Plan, once developed, as a basis for an offset program and Federally-mandated industrial site analysis. The relevant parts of the Bay Plan should be incorporated as a part of the Industrial Location Plan.

3. Local government should participate in the preparation of an Industrial Location Plan.

4. Federal and State government should fund economic and urban development projects consistent with a region's Industrial Location Plan, once adopted.

CHAPTER II

ADVANCE INFORMATION

A primary belief underlying the Industrial Siting Pilot Project is that industrial developers can avoid some permit difficulties if they have better advance information on the limitations of potential industrial locations. At present, the prospective developer rarely finds a single source of information that indicates all the available industrial sites in the Bay Area and their environmental constraints. Collecting that information would involve a long and rather confusing effort. Moreover, once an inventory was compiled, it would soon be out of date because of changing policies of cities, counties, regional, State and Federal regulatory agencies.

ABAG was in a unique position to prepare such an inventory as an experiment because a preliminary inventory of available land was compiled as part of its population and employment projections work. Further, ABAG has been working cooperatively with cities, counties, special districts, and State and regional environmental agencies in preparing an Environmental Management Plan for the Bay Area. Such working relationships have required ABAG to be knowledgeable on how the plans and policies of different governmental bodies affect the development potential of Bay Area industrial sites. Finally, ABAG has a well-established computer service program that can be used for a wide range of analyses.

A. OVERVIEW OF THE INDUSTRIAL SITING INVENTORY

An inventory, to be useful for both public and private decisions in industrial siting, must have the capacity to permit:

1. Comparison of different kinds of data;
2. Flexibility of analysis;
3. Clarity of presentation, and
4. Ease of update.

Constraints of time and budget have meant that, except for an extensive city-by-city interview, all the information had to be collected from data prepared for other projects. With the exception of 1970 census information all other data had been compiled within the last three years.

Data was gathered for sites of greater than 50 acres (five acres for highly urbanized areas with high unemployment needs) with industrial growth potential as defined in city and county plans and ordinances. The size limitations were selected to screen out smaller sites not likely to satisfy the needs of a large, basic industry.

The inventory includes those sites located in cities or counties whose general plan or zoning policies call for industrial expansion. Sites that are neither zoned nor general planned for industry are excluded from the inventory, even if there has been some private market speculation or desire that they be used for that purpose. The decision to include only general planned land was made to be consistent with the project philosophy of providing developers with information on sites with few permit difficulties. The lack of a general plan designation for industry generally is a stumbling block for any potential development. Furthermore, most cities and counties provide ample land for industrial growth as evidenced by the fact that approximately three times more land is zoned for industrial growth in the Bay Area than is projected to be needed by the year 2000. Therefore, prime industrial sites are rarely overlooked in general plans unless the site presents overwhelming problems.

The data on each potential industrial location in the inventory is broken into five basic categories: Site Information, Site Status, Services, Transportation and Environmental Constraints, along with 25 site characteristic categories. The information on these 25 different characteristics came from the wide variety of sources and computations that will be described in the next section.

B. SOURCES OF INFORMATION

The industrial site information came from five sources:

1. Industrial site survey interview with cities and counties;
2. Bay Area Spatial Information System (BASIS);
3. Reports prepared for ABAG's Environmental Management Plan;
4. Reports prepared by other regional agencies (MTC, BCDC, BAAPCD, RWQCB); and
5. 1970 U.S. population census.

In a number of cases the data from the above sources were added to BASIS for purposes of analyzing their importance to the various industrial sites.

The first two of these five industrial site sources require some explanation as they represent either new information or analysis conducted specifically for the Industrial Siting Program.

- Industrial Site Survey Interview--A total of 46 interviews were conducted in person with the planning departments of cities and counties having large amounts of vacant industrial land. An additional 20 telephone interviews were conducted with cities having smaller quantities of land. These interviews resulted in the final total of 375 potential industrial sites.

Interviews were held with members of the planning department. Occasionally representatives of the economic or community development departments provided additional assistance. In a number of cases the interviews were also conducted with the City Manager.

The city or county representatives were asked to review a 1975 ABAG industrial land survey map (USGS topo 1:24,000) to verify its accuracy and to make required additions or deletions. The survey was conducted on a site-by-site basis with the following further questions being asked:

1. Is the site in a redevelopment area?
2. What is the development potential of the site?
3. What is the zoning of the site?
4. What is the general plan category of the site?
5. Is there a sewer line to the site?
6. Is there a water line to the site?
7. Is there a natural gas line to the site?
8. Is there a rail spur to the site?
9. Are there other known limitations of the site?
10. Would an unincorporated site require annexation into an adjacent city?

In some cases the planning department was not aware of the requested information and the gathering of that data was postponed.

- BASIS--ABAG has developed a computer-based geographic data base that allows different pieces of information to be overlayed or combined with each other. BASIS works by first creating a data base through referencing various geographic information, such as soil conditions or locations of railroad stations, to one or more points (coordinates) on the regionwide map. Once the data base is prepared, the computer can be asked a wide range of questions about the various conditions located at a particular coordinate--its nearness to an earthquake fault, whether it is on prime agriculture soil, whether it is within an air pollution problem area, etc. Furthermore, the computer can be asked to measure the distance between one point and another, thereby providing, for example, an easy method of calculating the distance between 375 industrial sites and 150 railroad loading points. BASIS provided the pilot project great flexibility in handling tens of thousands of pieces of information.

C. INFORMATION IN THE 1977 INDUSTRIAL SITE FILE

The items included in the site file information were selected because they either indicated potential environmental constraints (tidal marshes) or they indicated site characteristics generally required for industrial development (utilities on site, proximity to seaports).

It must be recognized that the locational needs of industry vary widely according to the nature of goods to be produced, the methods and costs of transportation to be used, the company image to be projected or the market to be serviced. Some industries are most concerned with being near freeway access. Others are more concerned with being next to a deep water channel. For many new factories no single site factor is dominant and they are able to locate in several areas. Therefore, it is impossible for the industrial site file to provide all the necessary site data for all the potential industries. This was not the intent of the site file. The file does provide a complete listing of the environmental constraints likely to be faced on major industrial sites. It also provides a first screening of other characteristics that are of general concern to industrial developers. Supplementary information will be required according to the particular needs of the industry seeking to locate in the Bay Area.

The 1977 industrial site file was prepared in five months. There was, therefore, little time to verify all information now included in the file. Further verification and improvements can and should be made to the file. Chart 1 is a sample copy of the kinds of information included in the file for a given site.

Site Information

Location - provides information on the county, city and census tract in which the site is located. This permits easy cross reference to other forms of information provided for those geographical units.

Approximate Size of Site - provides computer derived approximation of the site size in acres. The exact site size will be determined, when time permits, through verification with local jurisdictions.

Physical Description - provides a thumbnail sketch of the physical features of the site.

Special Locations - indicates if the site is within a redevelopment area of a city and whether the site borders the Bay. The second piece of information indicates if the site borders the Bay. This is useful in determining whether or not a Bay Conservation and Development Commission (BCDC) or Army Corps of Engineer permit would be required. Permits are required from BCDC if the site is within 100 feet of the point of highest tidal action.

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SITE NUMBER

1977 INDUSTRIAL SITE FILE
FOR THE NINE COUNTY SAN FRANCISCO BAY REGION

SITE INFORMATION

1. LOCATION
   - A. COUNTY
   - B. CITY
   - C. CENSUS TRACT NO.
   - D. UTM COORDINATES (ZONE 10)
     METERS EAST
     METERS NORTH
2. APPROX. SIZE OF SITE
   - A. HECTARES
   - B. ACRES
3. PHYSICAL DESCRIPTION
4. SPECIAL LOCATIONS
   - A. IS SITE WITHIN A REDEVELOPMENT AREA?
   - B. DOES ANY PORTION OF SITE BORDER BAY?
5. SOCIAL PROFILES
   - A. MEAN FAMILY INCOME
   - B. MEAN AGE
   - C. MINORITY GROUP
6. HOUSING PRICE

SITE STATUS

7. DEVELOPMENT POTENTIAL
8. GENERAL PLAN DESCRIPTION
9. ZONING

SERVICES

10. WASTEWATER
    - A. DISTRICT SERVING SITE
    - B. EXISTING CAPACITY MGD
    - C. EXISTING DEMAND MGD
    - D. PLANNED CAPACITY MGD
    - E. SEWER LINE ON/NEAR SITE?
11. WATER

    NO CURRENT WATER RESERVE LIMITS IN COUNTY.

    WATER LINE ON/NEAR SITE?
12. NATURAL GAS
    - A. NATURAL GAS LINE ON/NEAR SITE?

TRANSPORTATION

13. RAIL
    - A. RAIL SPUR TO SITE?
    - B. DISTANCE TO NEAREST RAIL LOADING POINT MI
14. AIR
    - A. DISTANCE TO NEAREST MAJOR AIRPORT MI
15. PORTS
    - A. DISTANCE TO NEAREST PUBLIC DEEPWATER PORT MI
    - B. DISTANCE TO NEAREST POTENTIAL PORT MI
16. FREEWAYS
    - A. DISTANCE TO NEAREST FREEWAY INTERCHANGE MI
17. ACCESSIBILITY

    ACCESSIBILITY TO CIVILIAN LABOR FORCE
    TRANSIT
    CAR
18. HAZARDOUS WASTE DISPOSAL
    - A. DISTANCE TO NEAREST CLASS I SITE

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POSSIBLE CONSTRAINTS

19. IS SITE WITHIN A BCDC PRIORITY USE AREA?
20. AIR QUALITY - IS SITE WITHIN NON-ATTAINMENT AREA FOR
    - CARBON MONOXIDE
    - SULFUR DIOXIDE
    - PARTICULATES
    - NITROGEN DIOXIDE
    - OXIDANTS
21. WATER QUALITY
22. ENVIRONMENTAL SAFETY
    - H = MAJOR CONCERN
    - M = MODERATE CONCERN
    - L = MINOR CONCERN
    - WEIGHTED OVERALL RATING
    - FAULT STUDY ZONE
    - EARTHQUAKE INTENSITY
    - BAY MUD
    - SETTLEMENT
    - SHRINK/SWELL
    - SOIL CREEP
    - LANDSLIDES
    - EROSION
    - FLOODING
23. PRIME AGRICULTURE - IS ALL OR PART OF SITE ON PRIME AGRICULTURAL LAND?
24. FISH/WILDLIFE/VEGETATION IS SITE IN AN AREA KNOWN OR EXPECTED TO CONTAIN ANY UNIQUE SPECIES? MI
25. SPECIAL NOTES

Inquiry should always be made to local jurisdictions, economic development agencies and real estate agents for this property.

CHART I

(19)

SITE NO.

CITY

COUNTY

01/11/78

A PRODUCT OF
BASIS
(BAY AREA SPATIAL INFORMATION SYSTEM)
DEVELOPED BY
THE ASSOCIATION OF BAY AREA GOVERNMENTS

Social Profile - provides a profile of some of the social characteristics of the Census tract in which the site is located. The characteristics included in the social profile are:

- o Mean family income - useful in making comparisons to other areas in the region in terms of how new industrial jobs could improve incomes in areas of greatest need

- o Mean age - provides a relative comparison of areas with a younger population seeking jobs

- o Minority groups - indicates the combined percentage of different minority racial or ethnic groups in the census tract. This information is useful for economic and manpower government planners as well as industry's affirmative action planners.

- o Unemployment - provides the latest available information on unemployment for the city in which the site is located.

Housing - indicates the approximate average price of housing in 1977 for the community in which the industrial site is located. The price was derived by adjusting the 1975 housing prices, reported in the ABAG 1970-1975 Housing Profile (compiled by the Society of Real Estate Appraisers, Market Data Center), to 1977 prices.

The 1975-77 adjustment rate was calculated from indices reported in the Northern California Real Estate Report, Vol. 29, No. 2, April, 1977.

Site Status

Development Potential - provides an indication of local governments' commitment to when they would want to locate on a site.

- o High Potential, Vacant -- the land is currently zoned for industry or, from the local jurisdictions' standpoint, would take only a short time for any rezoning or annexations to take place prior to site development.

- o Medium Potential, Vacant -- the local jurisdiction wants industry to locate on the site, but there are a number of issues, such as additional sewer or water, new roads or annexation, that first must be resolved.

- o High Potential, Redevelopment -- the site is located within an existing or planned redevelopment area.

General Plan Description - provides a generalized description of the city or county's general plan category for the site.

Zoning - provides a generalized description of the city or county's zoning category for the site.

Services

Wastewater - indicates the name of the responsible local agency for providing wastewater services to the site and indicates existing treatment plant capacity (average dry weather design capacity), existing demand (existing dry weather flow) and the capacity of any planned sewage plant expansions.

This information is useful to industries that will discharge large columns of wastewater to municipal collections and treatment systems. If the existing demand is near or exceeding the existing capacity, it is likely that the sewage agency would not allow the industry to hook up to the system for fear of violating a water quality standard.

The information of the existing and planned capacity and existing demand comes from ABAG Technical Memo #5 (Water Quality Management Plans) on Existing and Planned Wastewater Management Facilities in the San Francisco Bay Region, June 13, 1977.

The source of that memo was the plans and environmental impact statements for the planned wastewater facilities (201 facilities) in the Bay Area. It should be recognized that there can be further expansions of the treatment plants beyond those levels called for in the 201 plans.

The site file information also indicates if a sewer line is on or near the site. This information is helpful in determining if an industrial developer must extend a sewer line to a site or conduct discussion with the Regional Water Quality Control Board on developing a self-continued sewage treatment system.

Water - indicates if the site is located in a county which has limited water reserves. Such a determination is based on the availability of existing local groundwater, local reservoir water and water from outside the Bay Area drainage area (Hetch Hetchy, Mokelume River, South Bay Aqueduct, etc.). This information is helpful for those industries which are heavy water users.

The source of the information is the ABAG study for the Water Conservation, Reuse and Supply Plan for the San Francisco Bay Region, January, 1978, prepared by J. B. Gilbert and Associates.

The site file also indicates if a water line is on or near the site.

Natural Gas - provides information if there is a natural gas line on or near the site.

Riparian Rights - any known right to water on owner site.

Transportation

Rail - provides information if a rail spur or drill line is on or immediately near the site. It also gives the straight line distance to the nearest team track where car loading could take place. Information for this calculation was provided through Caltrans by Southern Pacific, Western Pacific and Santa Fe.

Airports - provides information on the distance of the site to the nearest commercial airport (Oakland, San Francisco, San Jose).

Seaports - provides the straight line distance between the site and the nearest public deepwater port (Benicia, Encinal, Oakland, Redwood City, Richmond and San Francisco).

It also provides the distance to the nearest potential port sites. The potential sites (as defined in the Regional Port Planning Project, Phase I Report to MTC and BCDC, June, 1977) are within one-quarter mile of the 30-foot bathymetric contour and are not dedicated to park use, national wildlife refuge and actively used bulk petroleum facility. The purpose of indicating this distance is to highlight the sites that are most suitable for those industries which depend on easy access to deepwater terminals.

Freeways - provides the straight line distance to the nearest freeway on-ramp. This information is useful for those industries that are concerned with convenience of trucking to the site as well as freeway access convenience to employees.

Accessibility - provides a ranking of 1-10 of how accessible each site is to the labor force by either mass transit and car. A site that which requires only a short travel time by a large number of workers gets a higher rank. A site that has no direct mass transit access and is a long distance from most of the Bay Area labor force gets a lower rank.

This information is useful for studying the commute, air quality and energy consumption patterns that would be created by the employment induced by the various sites. It is also useful for determining how accessible a potential employment force is to a new industry. The rankings are derived by comparing the 1975 MTC travel times to 1970 Census figures on labor force.

Hazardous Waste Disposal - provides the straight line distance to the nearest Class I hazardous waste disposal sites (Benicia, Martinez and Richmond). State law requires that industries dispose of the hazardous waste wither on their site or at Class I disposal sites. Included as hazardous wastes are such substances as acid, alkali, pesticides, cleaning fluids, paint sludge and oil.

Environmental Conditions

BCDC Priority Use Areas - provides information on whether the site is designated in the BCDC Plan for priority shoreline land use. Included in these uses are: a) ports, b) water-related industry, c) water-oriented recreation, d) airports, e) wildlife areas, f) salt ponds and other managed wetlands and g) tidal marshes. Development on these sites will require a BCDC permit which is issued based on how a proposed project is in accordance with the standards of the plan. The source of information of the sites is the Bay Plan, 1969.

Air Quality - provides generalized indication if the site is within a non-attainment area for any or all of the basic five pollutants--carbon monoxide, sulfur dioxide, particulates, nitrogen dioxide and oxidants. Caution is advised in the use of this information in that the non-attainment areas are those defined for readings in 1975. Furthermore, the information reflects only a few standards for all pollutants.

For example, a small area around Crockett was recorded in the data as having violations of sulfur dioxide on the basis of one 1975 excess of the State one-hour standard. Therefore, the information is included only to provide an early warning signal on those sites within known areas of non-attainment. The information should not be construed to mean that sites outside non-attainment areas will not be faced, either at present or in the future, with air quality permit limitations.

The information was provided by the Bay Area, Yolo-Solano and North Sonoma Air Pollution Control Districts.

Water Quality - provides information if a site is adjacent to any receiving waters in the San Francisco Bay basin whereby direct pollution discharge would present severe problems. The San Francisco Bay Basin Plan, 1975, has classified the receiving water into two basic categories: water quality limited and effluent limited.

Industries that would want to discharge directly to a receiving water would be faced with more stringent regulation if they are located on a water quality limited segment. Such segments require more stringent effluent controls because they have unique hydrological limitations. These segments include Suisun Marsh, Napa River, Petaluma River, Sonoma Creek, Alameda Creek, Richardson Bay, Tomales Bay and the portion of the Bay below Dumbarton Bridge.

Environmental Safety - provides information on the relative ranking per site of the planning and construction costs associated with the industrial development of the site.

Two basic types of costs that are used for this analysis are: 1) study, engineering, design and mitigation costs per acre for a standard form of industrial development and 2) disaster or damage costs per acre times the frequency that the damage occurs divided by the discount, or interest, rate. Sites with major geologic or hydrologic problems would have a higher ranking. The following are the categories for which cost information has been derived on ABAG.

- Faulting - occurs when there is a break and movement of the earth. Active or potentially active faults usually show evidence that they may move in the near future. Buildings and facilities built on such a fault may be torn apart.

- Ground shaking - occurs during earthquakes centered both near and far away from the industrial site. The relationship between buildings, facilities and underlying materials is important in predicting damage.

- o Liquefaction - occurs if water-saturated soils lose strength when shaken. Lurching and sliding of buildings may be caused by this "quicksand" effect.

- o Settlement - involves the compacting of loose soils thereby lowering the ground surface. It can be accelerated by ground shaking. Differing rates of settlement may cause extensive damage.

- o Shrink-Swell - takes place when soils containing clays expand significantly when wet and shrink when dry. This may cause heaving, cracking, and other damage.

- o Soil Creep and Landslides - involves downslope movement may destroy buildings or facilities on or in the path of movement.

- o Erosion - occurs when water moves weathered rock and soil downstream. Although a natural process, it is accelerated by development activity and may reduce soil value, pollute water, and clog drainage facilities.

- o Flooding - involves excessive rainfall near areas subject to stream inundation. Flood insurance increases the costs in these areas.

Prime Agriculture - provides information on industrial sites located on soils defined as prime agriculture lands by the Soil Conservation Service.

Fish/Wildlife/Vegetation - provides information if a rare and endangered species of fish/wildlife/vegetation has been reported to be located on or near the site. Greatest attention was given to those sites located on or near bay marshes. The permit conflicts tend to be most severe at these locations. Research has also been concentrated at these locations. The source of the information is a report to BCDC on The Marshes of San Francisco Bay: Their Attributes and Values, June, 1977.

Special Notes and Other Government Policies - provides any additional details about the site which were provided from the survey including government policies that are not included elsewhere.

D. USES OF THE INDUSTRIAL SITE FILE

The site file was designed to be useful to both private and public decisions concerning industrial locations. Experience to date suggests that it can be applied successfully to a number of different site planning efforts. This section indicates uses of the site file to date and indicates some of its potentials.

The pilot project is presently using the site file to evaluate how each of the 375 sites helps to achieve one or more of the "concerns" of the industrial siting objective--reduce unemployment, meet needs of industry, make wise use of physical resources, etc.

The evaluation is conducted by adding (or subtracting) points for each site according to whether its characteristics are favorable (or unfavorable) in achieving a particular concern (Appendix D). For example, a site that is located in an area with few air pollution problems and is highly accessible to a large number of potential employees by transit would get a high evaluation or rank in addressing air quality concern. Conversely, a site that is located on a tidal marsh and is not located within a sewer district would get a low ranking for wise use of physical resources. The site file, therefore, provides a computerized information base that is easily used in making policy evaluation.

A second use of the file is that it represents a comprehensive data source for potential industrial developers. There has been demand for the industrial file even before the ABAG could make preliminary adjustments and improvements. Public and private inquiries and requests have been made for computer listings of all those sites with specialized characteristics. Examples are:

- o all sites in Santa Clara County of greater than 500 acres
- o all sites on the water that are greater than 100 acres and that have deep water access
- o all sites in Alameda County that presently have public utilities, rail spur and are near transit
- o all sites in Bay Area of 1000 acres or more.

Minor computer programming is necessary to respond to such requests. Once sites are found, ABAG can provide information on the site and indicate its precise location on three different maps: 1) U.S.G.S. topographic map (1:24,000), 2) county maps (1:62,500), and 3) regionwide map (1:125,000).

The industrial siting file is also being used to assist other planning projects being undertaken by ABAG, MTC and BCDC. ABAG is using the industrial siting information in 1) verifying its employment projections, 2) studying plan recommendations for its joint ABAG/MTC Santa Clara Corridor Study and 3) determining land availability for future needs related to airport expansion programs. MTC and BCDC will be using portions of the industrial site file in analyzing future sites for seaport development.

There are a wide variety of potential uses and improvements that can be made to the site file. Such improvements could include:

1) develop computer programs so that developers can enter their own questions and get back an immediate response on the computer video screen

2) develop mapping programs so that the computer can respond with a map presentation of sites combined with other requested information

3) develop the industrial planning and construction cost programs that can be adjusted to varying site or facility design combinations

4) develop information on the locational needs of specific industries to compare specific industrial uses to specific sites.

E. UPDATING THE SITE FILE

Consideration must be given to a systematic program of adjusting and updating the industrial site file. The file would otherwise lose its primary function of providing clear and comprehensive information to prospective industrial developers if the data is incorrect because it is out of date.

Such characteristics as the sewage capacity, water reserve availability and price of housing can change in a relatively short period of time. Similarly, changes in local government attitudes, as reflected through general plans and zoning adjustments, require continuous monitoring. Alterations to the social characteristics of the community, air quality conditions and availability of various modes of transportation occur over longer periods. Finally, availability of the land in the industrial site file will change as all or portions of the sites are occupied by new industry.

To do this a regularized schedule of updating the file would need to be established. Updating could occur through a periodic review of permits issued by local government for industrial developments. Occasional interviews with planning or economic development staff and scanning of aerial photos could also supplement the review of permits.

There are already a number of improvements to the existing file that could readily be made given additional time and financial support. All of the below improvements would present existing information in a more useful manner:

Social Profile - the data on family income, age and minority groups can be modified to represent the overall average of census tracts within a three mile radius of the site. This change would provide a better description of the communities from which the industries' employees might come.

Rail, Airports, Seaports - new data can be added to reflect the travel time in minutes from the industrial site to rail loadings, airports and seaports. This would provide an indication of expected traffic congestion between the site and the shipping point.

Fish/Wildlife/Vegetation - new data can be added to reflect rare or endangered species located at inland sites. The present information concentrates solely on bay marsh areas.

F. RECOMMENDATIONS FOR FUTURE USE OF THE INDUSTRIAL SITE FILE

The following recommendations list the full range of items possible in making the current industrial site file more useful for both private and public siting decisions. The first two (Additions to Current File, File Update) are essential if the site file is to be useful beyond the purposes of the pilot study. The third (Expand Usefulness of File) would develop computer programs to give greater flexibility in analyzing the data. Finally, the fourth item (Annual Industrial Site Brochure) is a potential use of the file to provide more widespread information on Bay Area sites similar to that provided in other regions.

RECOMMENDATIONS	PREPARED BY	FINANCIAL SUPPORT FROM
1. Additions to Current File		
a. Review the site file with cities and counties to verify its accuracy and fill in missing portions.	ABAG with help from city and county planning departments.	State and Federal technical assistance grants.
b. Make revisions to the existing descriptions.	ABAG.	Same as 1a.
2. File Update		
a. Devise a regular system and schedule of updating the file.	ABAG with help from city and county planning departments.	Fees from users, ABAG membership dues, 701 planning assistance.
b. Review with MTC, BCDC and other regional agencies to ensure file categories are useful to their ongoing needs. In particular, ensure data is useful to highway projections, airport and seaport studies and urban goods movement analysis conducted by MTC.	ABAG, with help from MTC, BCDC, BAAPCD.	Fees from users.
c. Make revisions to social profile information to better describe the communities from which employees might come.	ABAG.	Same as 2a.
3. Expand Usefulness of File		
a. Prepare computer programs that permit a user to directly question the site file.	ABAG.	State and Federal technical assistance grants.
b. Prepare computer programs that permit mapping sites in combination with other geographic data.	ABAG.	Same as 3a.
c. Prepare information that permits a user to tie industrial uses to sites.	ABAG.	Same as 3a.
4. Annual Industrial Site Brochure		
a. Prepare annually a graphic brochure of available industrial sites in the Bay Area. Such a brochure would be useful to Chambers of Commerce and economic development agencies in providing information on sites in the Bay Area.	ABAG, Chambers of Commerce, Bay Area Council.	Private organizations and Federal technical assistance grants.

CHAPTER III

THE PERMIT PROCESS

Environmental management is the responsibility of every level of government. In the San Francisco Bay Area nine counties and nearly one hundred cities have the responsibility to regulate development and protect the environmental resources within their jurisdictions. In addition various Federal, State and regional agencies have been created to further regulate certain aspects of the air, water or land resources of the Bay region. These agencies seek to manage limited or fragile environmental resources through the issuance of permits. Specific development projects are approved or denied on the basis of their conformance with standards adopted by each agency in its area of expertise and responsibility.

The purpose of this chapter is to examine the permit process and propose improvements in the system that could promote clarity and efficiency in the review of industrial development proposals. No major changes in the existing authorities or responsibilities of these agencies are proposed. Neither are recommendations for changing existing environmental standards proposed as these are beyond the scope of the industrial siting project.

This chapter on permit processing will:

- o summarize regulatory agency responsibilities
- o discuss the purpose of the Bay Area Permit Directory
- o outline the issues created by the processing of permits
- o recommend actions that OPR, ABAG, regulatory and local agencies can take to improve the permit system.

A. SUMMARY OF REGULATORY AGENCY RESPONSIBILITIES

Every industrial development project will come under the jurisdiction of some local government; a city or a county, and a variety of approvals will be needed from that jurisdiction before construction can begin. The approvals or permits that may be needed range from general plan amendment and rezoning to building and construction permits.

In addition to local government approval, the industrial development project may need permits from regional, State or Federal agencies depending on where the project is located or what the proposed industry will do. Not every industrial project will need a permit from every regulatory agency. Usually one or two regional, State or Federal permits are needed; major projects may require more.

Currently there are eight major environmental agencies that regulate specific aspects of development projects for the purpose of protecting environmental resources. The Bay Area Air Pollution Control District (BAAPCD) exercises Federal, State and regional permit authority over all potential stationary sources of air pollution. The Bay Conservation and Development Commission (BCDC) was created to manage development in and around San Francisco Bay, while the California Coastal Commission (CCC) has the specific responsibility for regulating projects proposed for the coast.

The State Lands Commission (SLC) approves projects proposed for State land, including waters of the State. The State Department of Fish and Game comments on all projects that may affect the fish and game resources of the State and negotiates agreements that would alter any stream or creek. Water quality permits are issued by the Regional Water Quality Control Boards (RWQCB) and they have been given additional authority by the Federal Government to issue Federal waste discharge permits. The State Water Resources Control Boards (SWRCB) is primarily responsible for regulating applications proposing private and public use of State protected streams, lakes and rivers.

There are several Federal agencies that issue permits. The agency that most often affects industrial development projects is the U.S. Army Corps of Engineers (COE) who are responsible for issuing permits for any filling or dredging of the San Francisco Bay and its tributaries. The COE must receive comments on their project applications from U.S. Fish and Wildlife and National Marine Fisheries. In addition the Corps' permits are issued only after State and local approvals have been given. The Permit Directory outlines in greater detail the responsibilities of these eight agencies.

The Bay Area Permit Directory centralizes for the first time information about eight major environmental regulatory agencies in the Bay Area. It is designed for use by persons who are unfamiliar with the permit approval process and describes the major local and State laws in California on planning and the environment. Separate sections describe the California Environmental Quality Act and the National Environmental Policy Act.

The eight major regulatory agencies, BAAPCD, BCDC, CCC, Fish and Game, SLC, RWQCB, SWRCB and COE, and their regulatory responsibilities are outlined. The Directory also includes the following for each agency:

- history and general information
- jurisdiction
- legal authority
- permits issued
- environmental information
- criteria for permit decisions

- o fees
- o timing
- o further information and agency contact person
- o brief overview of the permit review process

In addition the appendix to the Directory summarizes other Federal, State, regional and local permits that may be needed for specific development projects.

The Permit Directory is for sale at ABAG offices for $2.00 per copy.

B. ISSUES IN PERMIT PROCESSING

The issues summarized by this report represent a review of available literature on permit processing and discussions with persons familiar with the system.

The permit processing system reflects the complexity of development in a large urban region with diverse economic, social and environmental conditions. Each new project requires different permits from different agencies depending on its size, function and its chosen location. No system to deal with such complexity can address all potential issues in advance. For most projects the existing regulatory system works well. Most agencies are responsive to the developer's need for information about the process and a speedy permit decision. Work to date suggests that there are a few areas where additional information, clarifying review procedures and coordinating project reviews may improve the system where some problems are now experienced. At the same time it is recognized that no single set of proposals will satisfy everyone's concerns.

The following areas are discussed:

- o Intra-agency coordination
- o Inter-agency centralization of permit information
- o Clarification of agency regulations, processing procedures, decision criteria
- o Speeding up of permit decisions
- o Appeal process
- o Environmental review

Intra-Agency Coordination

A variety of Federal, State, regional and local agencies were created to regulate development proposals and issue permits. To date, this system has not been coordinated for the developer who may require permits from several agencies. The developer contacts each agency individually to obtain application forms and information, set up meetings and attend public hearings. There is no centralized office that provides information or coordinates these permit reviews for an individual project.

In addition most agencies formulate their permit decisions in part on comments submitted by the other agencies. Often these commenting agencies are slow in submitting their comments. There is no individual or office chiefly responsible for ensuring the expeditious return of these comments.

Many times one agency must wait to make a permit decision until another agency makes theirs. For example, the COE must wait until State agencies issue permits before issuing their own. If the earlier agency delays, all other agency decisions may be held in abeyance. There is no person to help the developer solve these problems that occur among agencies.

Inter-Agency Centralization

Permit issuance within each agency is complex. Usually many staff persons are involved in the review process and have responsibility for separate sections of that review. It is most helpful when the agency can centralize the information known by these various persons. In some cases a developer must contact several different persons within an agency to discuss different aspects of the project. For example, one staff person may review the application for completeness while another is most familiar with the public hearing process that may be required. This is not to suggest that one agency staff person be responsible for all aspects of a proposal but it does emphasize that all information that might be needed by an applicant be included in one centralized place.

Clarification of Agency Regulations, Processing Procedures and Decision Criteria

Each agency has different permit responsibilities, different ways of processing permits and different criteria for making the permit decisions. These various agency requirements can sometimes confuse applicants.

Every agency has adopted a set of regulations outlining their general authority, procedures and decision making criteria. They are usually written in language generally understood by attorneys and professionals in the field but may be difficult to understand by lay people.

The steps each application goes through when reviewed by the agency can also be confusing to applicants unfamiliar with governmental agencies. Where review procedures are understood, an applicant is better able to provide review staff with additional information at various steps of review which can expedite that process. Few agencies now provide flow charts to illustrate the steps in a typical review.

Once an applicant understands the regulations and application review steps the next important information he/she needs is the criteria the board or commission uses to make permit decisions. Some decisions are based on specific environmental standards, while others are based on plans and policies. By providing applicants with a clear understanding of decision criteria an applicant can better know what is required and how his or her project will be considered.

Speeding Up of Permit Decisions

In almost every case, a project applicant is anxious to have the permit decision as soon as possible. Obviously it is helpful to an applicant if they can know early in the process that their proposal clearly cannot meet the criteria. A few agencies do this currently. In these instances, agency staff usually provide an early indication and then assist the applicant in revising the project to meet the conditions of approval. If such a practice were instituted region-wide it would clearly shorten the permit review process.

In cases when a project has been reviewed and staff feels the project has a good chance for approval, the decision process can still take several months to complete. In some cases this occurs because the applicant does not quickly return requested information. In other instances an agency's backlog of applications can slow the process. Problems such as these cannot be addressed except on an individual basis. AB 884 now requires that agencies make their permit decisions under specific time deadlines. Failure to do so results in project approval. It is expected that this will shorten the time of some reviews, although it may create some problems for reviewing agencies.

Appeal Process

There are relatively few decisions by regulatory agencies that are appealed to higher decision-making bodies. Those that are appealed may take considerable time. The appeals that are filed in court are faced with the problems of an over-burdened judicial system, too few judges, too many cases, etc.

CEQA permits any person to file an appeal questioning the adequacy or the procedural steps taken by the lead agency in preparing the environmental document. Recent studies have shown that few unwarranted lawsuits have been filed. Most regulatory agencies allow only specific individuals to file appeals which considerably narrows the chances for an appeal. Thus perceived problems in the appeals process are either beyond the scope of this project or not founded in fact.

Environmental Review

The National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) were adopted to insure that decision-makers consider the effects of a project on the environment before giving approval. Complying with these requirements can be an expensive and time-consuming process. A few areas in the processing of environmental documents could be clarified and coordinated.

Under CEQA, developers submit extensive environmental information to the lead agency and pay for each agency or a consultant to review and prepare a draft and final EIR. In San Francisco the average cost of EIR preparation is estimated at 1% of project construction costs.

Preparation of environmental documents and subsequent review by other agencies and the public extends the permit process by approximately 3 months. Only one properly prepared document is required for all local, regional and State permits, but if the document is inadequate or if a project changes substantially during other review periods, supplemental environmental analyses may be required. Because projects do change frequently during the permit review process, agencies are often unsure if they have reviewed an environmental document or not. This adds confusion to the process.

There are several other problems that apply directly to NEPA. Whereas CEQA requires environmental evaluation at the beginning of the project before any permits are approved, NEPA exercises its jurisdiction after Federal permits or grants are involved, seldom at the beginning of a project. Environmental evaluation early in the project development stage can encourage redesign to avoid any significant adverse environmental impacts. Evaluation much later in the project does not allow as much flexibility, and considerable time and costs may have been incurred. It can also extend the environmental review process.

CEQA provides if both an EIR and an EIS are required, a joint report can be prepared. While CEQA accepts an EIS if it addresses all State concerns, there is a limited provision within NEPA to accept an EIR as a substitute for an EIS. An EIR can be incorporated into an EIS when Federal funds partially support a project and the environmental evaluation is then delegated to a State or local agency. However, when a regulatory permit is needed from the COE, the COE usually prepares the Federal environmental review. Therefore, it is imperative if expediency in permit processing is a priority to merge the preparation of the State-mandated EIR with the Federal EIS early in the permit stage.

NEPA provides for a broader consideration of environmental concerns. It requires a description of all environmental effects while CEQA focuses on significant adverse effects. However, CEQA requires a description of mitigation measures and growth-inducing impacts while NEPA only implies that these things should be addressed.

These varying requirements illustrate the different emphasis of the two laws and how they might be changed so that one document can adequately address both State and Federal environmental concerns.

Conclusion

Permit problems are not unique to California. Because much environmental legislation originated in California, we have more experience with both the successes and drawbacks. Other states have the same kind of problems and some have taken steps to solve them. A section on "Permit Streamlining and Industrial Siting Attempts in Other States" is included as Appendix C to describe these efforts.

C. RECOMMENDATIONS FOR CHANGES IN THE PERMIT PROCESS

In the past year industrial developers appear to have been reluctant to propose major projects in the Bay Area because of the complexity and unpredictability of the existing regulatory process. A previous section discusses the six major concerns found within the present system: centralized information for regulatory agencies and their permits; coordination of agencies; clarification of regulations, processing procedures, and decision criteria; faster permit decisions; the appeal process and problems with CEQA and NEPA.

The purpose of examining the regulatory system is to insure that it is fair and efficient for the applicants as well as responsive to legislative mandates. While the system works well most of the time a few changes may considerably improve this process. This section outlines recommendations and options discussed but not included as final recommendations for implementation. Recommendations on ways to streamline the permit process are then described and include an analysis of their effectiveness and ways they could be implemented. These recommendations do not make major changes in the existing system. For the most part they outline ways to speed up the review process, clarify existing regulations and review procedures and generally make the system more accessible and efficient for the applicant. Many recommendations would apply only to some of the agencies because agencies have already incorporated some or all of these changes in their process. These recommendations seek to ensure that permit processing is easily understood, predictable and coordinated for applicants locating industrial projects in the Bay Area.

The Task Force has considered many alternatives for improving the regulatory permit process. These alternatives deal with the procedures for processing permits, not environmental standards. The

Task Force has considered several ways in which permit procedures would be modified to provide applicants greater clarity, more advance information, and where possible, more advanced certainty. Options ranged from minor modifications to more substantial changes in the present system.

The Task Force also considered consolidation of regional agencies as a solution to some of the problems of the present permit system. Although the proposal had merit, the Task Force felt the issue ought to be addressed from a wider perspective than industrial siting. Therefore the Task Force commended the idea to the appropriate bodies of ABAG, other regional agencies and the State for further analysis.

Options Considered But Not Recommended

A regional siting council was proposed to supersede the permit granting authority of the regulatory agencies for major industrial projects only. This ad hoc council would coordinate the interdisciplinary review of the project, prepare the necessary environmental documents, hold public hearings and make the final permit and siting decisions. The Task Force felt that the implementation of such a proposal was not feasible at this time.

Another alternative considered by the Task Force was the delegation of State permitting responsibility to the regional level. Most regulatory permits are issued by agencies located within the Bay Area. This is true of 6 of the 8 agencies described in the Bay Area Permit Directory for Industrial Development. Two agencies, the State Lands Commission and the State Water Resources Control Board issue most of their permit decisions from offices located in Sacramento. However, both agencies delegate some of the responsibilities to local or regional agencies. After discussions with agency staff, it was concluded that neither agency would probably be willing to delegate any other responsibilities.

An appeals board designed to hear appeals on all permits from regional and State regulatory agencies was also discussed. This board, meeting on an ad hoc basis when an appeal was filed, would conduct public hearings and take new testimony on a project where a permit decision had been contested. A decision from this board would be a preliminary step before appeals to the court. The Task Force was not certain whether this option would actually solve problems associated with permit processing or further complicate the process.

Also included as alternatives for Task Force consideration were some suggestions for improving the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). Changes in both laws would make the preparation of a joint environmental document easier when both Federal and State environmental analyses are necessary for a project. The Task Force agreed in concept that the coordination of State and Federal reviews would be helpful but felt a study broader than Industrial Siting should address those issues.

The Task Force also discussed the restructuring of the present regulatory system so that permit responsibilities could be delegated to local government. Some responsibilities have already been delegated from the State to the region. The Task Force felt that there are limited areas in which this would be feasible or useful. To the extent delegation can be achieved effectively, further discussion ought to be held with State agencies.

Recommendations for Further Consideration

The recommendations are divided into four categories:

- o general changes that can be made by local, regional and State regulatory agencies to clarify and simplify their permit process (numbers 1 through 9);
- o a recommendation for a Permit Coordination Process (number 10);
- o specific recommendations as to how every local government could streamline their own development approval process (number 11);
- o recommendations for further investigation.

Outlined below are the recommendations for improving the permit process of individual regulatory agencies. The purpose of these recommendations is to provide consistent, clear permit information and greater cooperation among agencies.

RECOMMENDATIONS

Recommendation	Discussion	Implementation
1) Create a users brochure which provides a concise written description of agency procedures to all applicants. Such information should answer the following questions: o What kinds of projects need a permit. o When in the project stage should an application be made. o Where can forms and information be found. o How are the forms filled out. o What other types of information are needed (maps, soil, water samples, etc.). o Where are the forms returned. o What happens once the application form is returned. o How long will permit processing take. o What kinds of analysis will occur. o When in the project review stage will staff develop a recommendation. o What are the options if approval is not recommended. o What can be done by the applicant to speed up the review process. o What are the fees for the permit(s).	1) Some agencies provide this information to applicants. In many cases, it is not in written form or must be gathered from several different departments. This recommendation calls for a users brochure that would centralize all information about the review procedures, fees and permits of that one agency. Once this information is available, it should eliminate many of the same questions applicants seem to ask staff over and over again. It will be convenient for the applicant, and save time for the agency by eliminating repetitious questions. It may also help other staff members become more familiar with the permit process. These recommendations are designed to facilitate the processing of all industrial projects. Under AB 884 State agencies are required, and local agencies are encouraged, to prepare lists of information required and criteria used to evaluate the completeness of an application. This recommendation would appear to satisfy that requirement.	1) OPR--encourage State agencies to provide such information at all regional offices under their jurisdiction. ABAG Executive Board--adopt a policy position favoring the development of clear, written permit procedures by its member governments, and ABAG would provide assistance whenever possible in preparing such information. ABAG and OPR--request appropriate Federal agencies such as the Army Corps of Engineers to prepare this information.

Recommendation	Discussion	Implementation
o When should they be paid. o What environmental information is necessary. o How long will it take to prepare environmental documents. o What is the cost. o Are permits from other departments or other agencies needed. o Where is this information and the application forms found. o How long will other permits take to obtain. Who should be contacted if other questions come up. o What do all the terms mean (variance, general plan, etc.). o Who makes permit decisions. o What criteria is the decision based on. o What are the options if a permit is denied. o What is the appeal process. o What are the appeal filing deadlines and fees. o Does the board/commission provide detailed reasons why a permit is denied. o What are all the steps the applicant must take to insure expeditious review of the project.		

Recommendation	Discussion	Implementation
2) Develop a flow chart illustrating the review procedure of permit applications. Indicate the kinds of analyses performed, the kind of decisions that are made, who makes the decision and how long each step takes.	2) This flow chart would provide the applicant with a clear picture of what happens during the processing of a permit. Many applicants do not understand all that is involved in a review. When the processing steps are detailed, the purpose of certain analyses explained and time estimates given, many questions and complaints may disappear. This will improve the image of the agency and save staff time listening to complaints. Examples of agency's flow charts are included in the Permit Directory. This chart illustrates major steps, decisions, and time estimates for application reviews but does not explain why some actions are taken or who makes certain decisions. This recommended flow chart would provide more detail on what and why certain data is analyzed and who makes intermediate decisions. A staff person or ad hoc committee responsible for implementating these agency recommendations could draft this revised flow chart.	2) OPR--review State plans and budget requests, recommend inclusion of funds updating flow charts. For agencies receiving State funding, funds to be allocated for this purpose. ABAG--In reviewing grant applications for Federal money, review for inclusion of this task in Work Program and support applicants who propose to undertake this work.
3) Support continued review of application processing procedures.	3) Several agencies are already in the process of reworking their permit review system. Recent legislative changes have provided an impetus to these studies as has concern about time delays. Some agencies find their existing process is efficient and understandable to the applicant. Circumstances surrounding permit reviews change frequently: legislative changes occur and the environment changes. The present review process should be continually updated to insure that all the conditions are reflected and that outdated reviews are no longer performed.	3) Same as above.

Recommendation	Discussion	Implementation
4) Ensure agency regulations can be clearly understood by applicants. Revise if necessary and identify all sections of the regulations related to permit procedures. Provide copies to all interested persons.	4) Regulations that are not written clearly can confuse applicants. As a result, many agencies have already rewritten them in clearer terms. This recommendation is aimed at those who have not already done this. Clear regulations will make it easier for applicants to look up specific questions thus saving staff time in answering them. Another important requirement is to index those sections of the regulations that relate to permits. Even when the language is understood much time can be wasted in a page by page search for the needed section.	4) Same as above.
5) Participate in the development of a master application form that will be used by State and regional agencies.	5) A brief survey of the application forms from eight major regulatory agencies indicated some 30 items that might be included on a master form. Most of this information was general in nature: owner/applicant name and address, and project size, use and location. A single master form that can be duplicated and used by all agencies would save considerable time for the multi-permit applicant. A supplemental form asking specific information such as air emissions, water discharge rates and kinds, and proposed water uses could be completed by the applicant only as necessary for a permit from the agency. The development of new application forms will allow the agency to reexamine the information asked for and insure that it is necessary, complete and intelligible. A sample master application form is included at the end of this chapter.	5) Environmental Regulatory Agencies--draft memorandum of agreement to describe how agencies will cooperate in implementing this recommendation. ABAG--provide staff assistance--drafting and executing memorandum.
6) Initiate pre-application meetings.	6) A pre-application meeting between the developer and all agencies from which a permit is needed provides an early discussion of the concerns and issues that will arise in the permit process. The applicant can present this project and find out early whether any major obstacles are anticipated. The agencies can provide an "early warning" if it is clear the project cannot meet permit standards. The applicant will benefit by this early indication from the agencies and the project can be modified if necessary before extensive time and costs are invested. Each agency will benefit from hearing what issues are of concern to the other agencies. Each agency will hear the same description of the project and in later discussions eliminate confusion regarding certain of its aspects.	6) Same as above. The memoranda of agreement will outline when each agency would participate in these meetings.

Recommendation	Discussion	Implementation
7) Develop an informal procedure where a staff member can indicate to an applicant at the beginning of a project review whether it clearly cannot meet the permit requirements of the agency.	7) In many instances, a staff person will tell an applicant that the proposed project will clearly not meet agency permit criteria. This usually happens when the site is designated for another kind of use or Federal environmental standards would be overwhelmingly violated. When staff warned the applicant that the project as proposed probably would not meet permit criteria, it could then work with the applicant to spell out specific conditions necessary for permit approval. This "early warning" is based on the agency's plans and policies and is communicated informally from staff to applicant. He/she could accept or disregard it at will. If the applicant chose to continue with the project it would be processed with all the consideration, thoroughness and efficiency of any other application. For some agencies the staff may be able to simply begin giving this information to applicants when there is a clear reason to believe the project will not meet permit standards. Other agencies may have to adopt a board or executive officer policy authorizing this "early warning." In both instances, staff should make it clear to the applicant that this opinion on the project's permit is based on his/her most knowledgeable interpretation of the board's policies. The applicant should not be given the impression that staff represents the board's definite decision.	7) Same as # 1-4 above.
8) Provide greater clarity in permit decisions: o Agency plans and policies should be available for review by all applicants. o Identify criteria used by the board or commission in making its permit decisions. o Provide written reasons in all instances where a permit is denied.	8) When a permit approval is based on detailed environmental standards, decision criteria are not too difficult to determine. However, when a decision is based on plans and policies, many applicants have a difficult time seeing how these are translated to permit decisions. An explanation as to how this works and an example illustrating the process would be helpful to the applicant. When a permit is denied, a written decision should be issued that describes criteria used in making that decision and reasons for denying the permit.	8) Same as above.

Recommendation	Discussion	Implementation
9) Participate in consolidated public hearings.	9) A consolidated public hearing would allow the applicant to present the project before all persons including the public and the permit agencies. This would provide the applicant the opportunity to answer all questions and address all concerns during this one hearing. A consolidated hearing would help speed up any other necessary hearings as most questions and problems are expected to be addressed at the larger hearing. A consolidated hearing may receive more publicity than individual agency hearings allowing greater numbers of the public to comment on the project. AB 884 designates the Office of Planning and Research as the office to coordinate a major hearing.	9) OPR, as the designated agency to implement certain provisions of AB 884--organize these consolidated public hearings. At the present time OPR is designing guidelines which will outline the circumstances under which these hearings would take place.
10) Develop a process of permit coordination. This process would: o Provide information and technical expertise to local governments and industrial development applicants on the regulations and procedures of State and regional regulatory agencies. o Coordinate the actions and responsibilities of the regional and state agencies with the local government having jurisdiction over the project when multi-permits are needed for a project. o Assist the applicant in completing and returning regional and State application forms. o Keep a master list of major industrial projects requiring multiple regional and State permits and tracking the progress of each project's permits.	10) The permit coordination process would facilitate the permit approval process for major industrial projects. Experiences in other states suggest that a permit coordinator with authority to facilitate coordination can significantly improve the permit system. Washington State had some problems with their coordinating procedures because the position was not vested with enough authority. Oregon located their coordinator in the Governor's Executive Office to provide influence to compel cooperation when necessary. OPR has created an Office of Permit Assistance located in Sacramento to facilitate state development permits. In addition this office will develop guidelines for implementing the requirements of AB 884. Local agencies are concerned that a State Coordinator located in Sacramento would be in accessible to them. The State Coordinator would not be as familiar with the issues and concerns of the region and would not be available for immediate consultation.	10) OPR--fund a position to develop a permit coordination process for the Bay Area. ABAG, the State and regulatory agencies--devise and sign a memorandum of understanding agreeing to specific cooperative actions designed to implement recommendations adopted by the ISTF.

Recommendation	Discussion	Implementation
o Create a permit schedule for major projects based on estimates provided by the regulatory agencies. o Coordinate pre-application meetings between all permit issuing agencies and the applicant as a source to the applicant. o Insure the applicant and agency meet to solve any problems which occur during permit processing. o Coordinate consolidated public hearings for major industrial projects. o Work with regulatory agencies to create a master application form. o Identify lead and responsible agencies for compliance with CEQA. o Insure compliance with the timing deadlines designated by AB 884.		
11) Encourage local agencies to centralize and coordinate permit procedures. This would include: o Creating a central location for planning and permit information. o Coordinating the internal processing of permits. o Creating a master application form. o Creating an interdepartmental team for reviewing applications. o Initiating pre-application meetings with development applicants. o Consolidating public hearings.	11) Local agencies, cities and counties have initial responsibilities for reviewing applications for industrial projects. These recommendations suggest improvements to assist all industrial projects. These approvals range from securing general plan amendments to tentative map approvals to building permits. For the applicant it is sometimes confusing to meet with persons from several different offices. These recommendations suggest ways the permit process might be streamlined within each city or county. Most local agencies provide planning and permit information to the applicant and some have a centralized place for dispensing that information. However, in many agencies the applicant is required to contact the planning department for planning actions, the building department for building permits and the engineering department for engineering information. It would be much easier for the applicant to contact one location and have all the information provided there. A central office would make the permit process much easier for the applicant. This convenience could enhance the local agency's reputation for being helpful to developers. This centralized system would also encourage discussion among departmental staff and a more comprehensive review of projects.	11) ABAG's Executive Board--adopt a policy encouraging member agencies to implement this recommendation. ABAG--in reviewing planning grant applications, give priority to applications from jurisdictions proposing to implement these recommendations and to development proposals from those jurisdictions with centralized procedures.

Recommendation	Discussion	Implementation
	Several cities in the Bay Area have instituted a coordinated permit procedure. Generally this procedure includes: o A centralized location for providing information and answering questions on all aspects of the local approval process. o A master application that asks all information needed for all local approvals. o An interdepartmental review team comprised of staff from planning, building, public works, fire, parks and recreation, economic development. o Consolidated public hearings. o Sequential decision-making at a minimum of meetings.	
12) The appropriate ABAG bodies, regional regulatory agencies and the State should discuss and consider recommending to the Legislature the restructuring and consolidation of regional agencies.	12) The Task Force felt that proposing major structural changes in the regulatory process and regional agencies had implications beyond industrial siting. The Task Force believes another ABAG committee should lead this discussion. Previous recommendations are those that could be implemented fairly quickly and would not make any major changes in the existing system. This recommendation would require further analysis.	12) ABAG, regional agencies and the State would discuss the consolidation and regulation of regional responsibilities. Based on discussions and agreements, a proposal would be submitted to the State Legislature for their review and action.

SAMPLE MASTER APPLICATION FORM

APPLICANT'S NAME:

_____ _____

Last First Middle Telephone Number

ADDRESS:

_____

Street City (County) State Zip

OWNER'S NAME (if different):

_____ _____

Last First Middle Telephone Number

ADDRESS:

_____

Street City (County) State Zip

PROJECT NAME: _____

PROJECT LOCATION: _____

LEGAL DESCRIPTION: _____

(Book) (Page) (Number)

PROJECT VALUE: _____

PROJECT SIZE (Acres, Sq. Ft.): _____

PROJECT DESCRIPTION: _____

_____

_____

_____

(Attach additional sheet, if necessary)

PRESENT ZONING: _____

ENVIRONMENTAL INFORMATION: Lead Agency _____

Responsible Agencies _____

_____

STATUS OF ENVIRONMENTAL REVIEW: _____

EXISTING USE OF PROPERTY: VACANT _____

OTHER (Describe) _____

_____

LOCAL APPROVALS NEEDED:

	Yes	No	Approved	Date
Building Department	____	____	_____	_____
Engineering Department	____	____	_____	_____
Planning Department	____	____	_____	_____
Public Works	____	____	_____	_____
LAFCO	____	____	_____	_____

OTHER PERMITS NEEDED:	Yes	No
BAAPCD	____	____
BCDC	____	____
CC	____	____
F&G	____	____
RWQCB	____	____
SLC	____	____
SWRCB	____	____
CORPS OF ENGINEERS	____	____

HAS ANY CONSTRUCTION BEGUN? ____ Yes ____ No

ESTIMATED COMMENCEMENT DATE (Month/Year): _____

ESTIMATED COMPLETION DATE (Month/Year): _____

LIST OF ATTACHMENTS:

Name and address of adjacent property owners
Vicinity map
Site plan
Other

I declare under penalty of perjury that the foregoing statements are true and correct:

_____ _____
Signature of Applicant Date

_____ _____
Signature of Owner Date

CHAPTER IV
REGIONAL PLANNING FOR INDUSTRIAL SITING

The basic question for the Industrial Siting Task Force was: can improvements be made to the process of siting major industrial facilities in the Bay Area to assist both industry and governmental regulatory agencies? As the Task Force explored issues such as the needs of industry, unemployment, environmental quality, the permit process and job-to-home commute, it concluded that the answer was not a simple one. Chapter II of this report provides one response: the maintenance of an inventory of available industrial sites and the development constraints or opportunities that exist for those sites. Chapter III provides an additional response: local, regional and State agencies involved with industrial development should work to make the permit process clearer and more efficient. This chapter proposes an industrial location plan as a means to resolving potential conflicts about siting decisions in advance of development. To date such conflicts are dealt with after a proposal is made and at least some steps taken toward its completion.

Over the past nine months the Task Force considered and rejected several options for regional industrial siting. The Task Force rejected the suggestion that nothing be done because the risks of greater governmental intervention outweighed existing problems. They also rejected suggestions such as regional industrial zoning powers and an Industrial Siting Council with powers similar to those exercised by the State Energy Commission in siting energy facilities. Both of these options would have meant significant alterations in the ways land use and regulatory permit authority is structured in the Bay Area and appear to be politically infeasible at this time.

A. AN INDUSTRIAL LOCATION PLAN

Need for a Plan

The preparation and implementation of a comprehensive plan appears to be a valuable vehicle to encourage the development of major industrial facilities while working toward the region's goals. Such a plan would address the important issues of economic health, environmental quality, growth management and governmental efficiency and reflect public consensus on where industry should locate. Planning for industrial location would establish a significant new role for regional agencies and local governments in economic development. Involvement in economic issues is, of course, not new to government. Government has long been deeply involved in all development activities. Taxes--property taxes, inventory taxes, unitary taxes, business taxes--affect business decisions. Local zoning governs land use decisions. Public services and local governmental "climate" influence locational decisions. Regional regulatory agencies issue permits or govern development in particular subareas.

More recently the Draft Environmental Management Plan proposed a series of measures which may impact a wide range of business activity. The Clean Air Act Amendments of 1977 mandate the review of all major new sources of emissions. Thus, government already has significant involvement in industrial development.

Economic development issues have, however, infrequently been addressed comprehensively at the regional level despite the fact that many of the problems and opportunities for solution are recognized to have regional dimensions. The Bay Area competes as a region with the South, the Northeast or other regions in the West for industrial location. The economic, social and environmental impact of the new development is felt regionwide. Within the region, suburban areas generally enjoy growth while older areas decline. People now commute farther and farther to find jobs or housing; air and water deteriorate without regard to political boundaries; in some cases older cities cannot compete in attracting industry, but attract more and more of the region's disadvantaged. Regulatory agencies are charged with protecting different aspects of the regional environment. There is no place where conflicts can be resolved and the work of separate agencies integrated. A process is needed whereby agencies with different objectives can work together to find resolutions to the inter-agency conflicts regarding industrial development.

Plan Overview

Certain general principles need to be observed in the preparation of an industrial location plan:

- A plan should be based on social, economic and environmental needs of the region.

- A plan should build on local planning and zoning. Thus, the pilot project's survey of sites mapped only those lands either zoned or designated as industrial in local general plans.

- A plan should be sensitive to the locational needs of industry, which will ultimately make its decision to locate in the Bay Area based on the competitive advantages it is able to achieve.

- A plan should improve the efficiency of present decision-making. Thus the plan should not propose additional government review unless there is a demonstrable public benefit and/or a reduction in existing reviews.

- A plan should be implementable and action-oriented. It should propose things which are politically, economically and administratively feasible within the existing framework of environmental regulation.

- A plan should be consistent with other State and regional land use and urban development plans and policies and attempt to resolve conflicts between them.

The Task Force and others have identified many conditions in the Bay Area, governmental and otherwise, which presently act as disincentives on desirable new industrial development. At the same time the region's environmental and financial resources are also limited. Thus the plan should concentrate on removing impediments and allocating the region's scarce resources in a manner consistent with overall regional goals.

The Task Force therefore recommends to OPR that industrial site planning be undertaken by councils of governments with the cooperation of local governments and State and regional agencies and that such an Industrial Location Plan be prepared for the Bay Area. Such a plan would:

1. Encourage economic development based on the plans and policies of the State, regional and local governments,

2. Encourage and assist local governments in meeting the needs of the unemployed and, where possible, locating industry near residential areas capable of housing workers,

3. Identify sites where major new industries will be encouraged to locate, and

4. Make incentives available to industries who locate on those sites.

The plan would not impose sanctions on those industries which chose to locate elsewhere in the region, although incentives would not be made available in those instances. It would concentrate the largest basic industrial facilities (see the regional definition on page 52) and focus appropriate incentives on them. It would not interfere with local economic development.

Individual industrial facilities can have an impact beyond the locality in which they locate because of the employment and tax base and other economic activity they generate; the transportation, commute and housing patterns they influence; the physical resources they may consume; or the environmental degradation they may cause. The development of these industrial facilities in some areas of the region would have a more beneficial influence on the development of the region than would development in other areas. In most cases it is more the size of the facility than the type of facility which is important. More than enough vacant land in the region is presently zoned as industrial than is anticipated will be used by industry through the year 2000. This means that, locational preferences can be made by the region without depriving industry of a sufficient number of attractive sites. It is a question of the most advantageous areas for the region. Because industrial growth is beneficial for the region, one of the considerations in determining the most advantageous sites will be the many and varied locational needs of industry. Therefore, a plan should create incentives for industry to locate in these areas.

A primary difficulty is that some of the largest industrial facilities have had difficulty in locating in the Bay Area because of their particular locational requirements and significant environmental impacts. Difficulty is also encountered in navigating the permit process. But these same industries may well play a key role in the regional economy through their substantial capital investment, employment and the "multiplier effect" in generating other industry. These facilities tend to be manufacturing or processing industries. For these facilities the question is more whether there are any acceptable sites within the Bay Area and what conditions will be imposed on the development of those sites industry chooses. A resolution of some of those conflicts in the regulatory review process would appear to be the most important incentive government agencies can provide for these industries.

There is an obvious relationship between the more general issues discussed above and these latter industries. These large industries are a particular kind of major industrial employment center but problems they have had in siting in the Bay Area require that they be addressed in a special way. Thus the plan should contain a Specific Facility Siting component (for these particular industries) within the context of an overall Industrial Location Plan. In both cases regional priorities and locational incentives should be stated by the plan. The Industrial Location Plan should be integrated with regional economic and other development plans and policies.

Emphases of the Plan

- Overall Industrial Location

  Given concern for unemployment and job opportunities, wise use of physical resources, job-to-home commute and transit use, public infrastructure costs and fiscal stability, the broad emphasis of such a plan can be described as encouraging employment development in or near existing urban centers. The plan would complement growth management efforts which seek to coordinate industrial growth with other growth in the region. The emphasis would be somewhat different in the Specific Facility Siting Component.

- Specific Facility Siting

  In addition to the concerns which the overall component addresses, special problems of finding sites and successfully navigating the permit processes arise for facilities which might be called Facilities of Special Concern. Such a facility would be defined as one that:

  - is one of ABAG's Basic Employment Groups 3 through 8* (these are Printing, Heavy Industry, Food Processing, High Technology Manufacturing, Metal Fabrication--Machinery--Transportation Equipment, and Miscellaneous Manufacturing);

* These correspond to the Standard Industrial Code Classifications 20, 22-39.

- employs more than 500 persons (on a full-time annual average) or has an assessed valuation in excess of $100 million; and

- requires permits from two or more of the following agencies: BCDC, Coastal Commission, Corps of Engineers, RWQCB, State Lands Commission, the Department of Fish and Game, appropriate Air Pollution Control District (APCD) or the State Water Resources Control Board.

The two most problematic situations are:

- meeting the current air quality standards as applied by the APCD through the New Source Review program. This problem can best be addressed through the industrial siting provisions of the Clean Air Act Amendments of 1977; and

- coordinating permit review by the multiplicity of agencies having jurisdiction for development along San Francisco Bay. This problem can best be addressed by strengthening the role of BCDC to help coordinate the issuance of permits effecting Bay sites.

The emphasis of the Specific Facility Siting component of the plan would be on identifying sites, the development of which by these industries would be beneficial to the region, and on encouraging these "special" industries to come to the Bay Area and to locate on the identified sites (named Bonus Sites below). This encouragement would, primarily, take the form of inter-agency agreements that spell out in advance concerns of local, regional and state regulatory agencies and appropriate conditions and incentives. By resolving as many of these issues as possible, in advance, industrial developers are expected to save considerable time and resources.

Given the particular location requirements of some industries and the environmental impact which their operation may have on adjacent areas, city-centered development may be more difficult for these industries. Technological and institutional techniques should be explored which might encourage industries to consider city-centered locations in the future.

What the Plan Does

- Overall Industrial Location

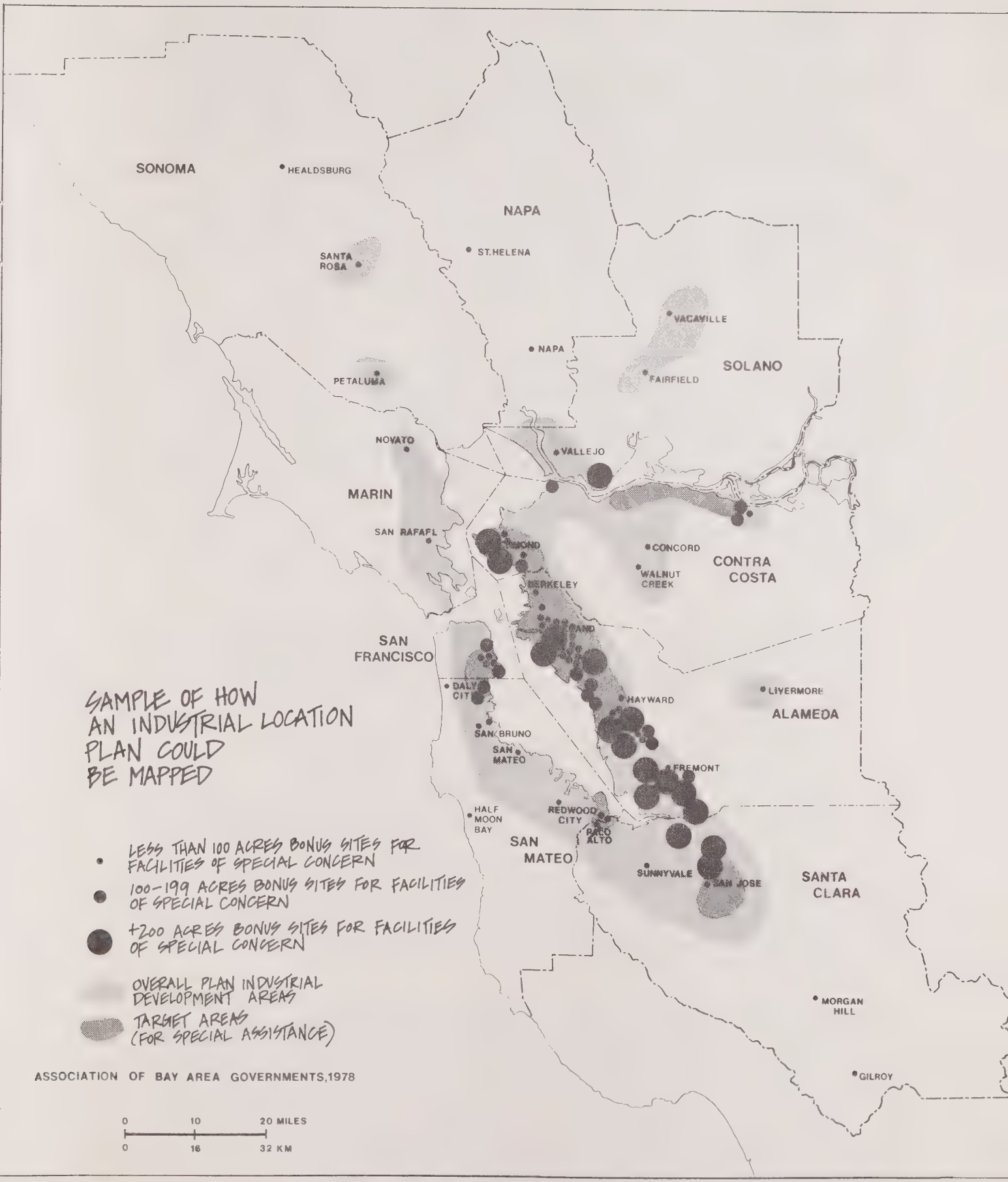
  General areas appropriate for the development of major industrial employment centers would be identified within the 15 subregional planning areas of the ABAG Regional Plan. The appropriate scale and timing of these developments, consistent with other development, would be determined. The plan would become a part of the Economic Development Element of the Regional Plan. The plan would detail measures to encourage consistent development. The plan could serve as a guide to local general and economic development plans but should not supercede local prerogatives in reviewing a proposal.

The plan would also identify areas where considerable industrial base deterioration and chronic unemployment have been problematic. These are jurisdictions, or portions thereof, that have, in addition to high unemployment, existing infrastructures, highly developed transportation systems, and available housing resources--generally older core areas. These areas are considered of importance to the region because of their particular need for economic rejuvenation and the greater benefits that are expected to accrue to the region as a result of industrial development in these areas. The plan would reflect the increased concern of State and Federal agencies to rebuild these areas and could well serve as a means of guiding future efforts by State and Federal agencies in the context of a regional strategy. Federal and State funds would assist in either keeping industry or attracting industry back to vacant facilities. The plan would identify these areas as Target Areas.

- Specific Facility Siting

  The Specific Facility Siting component of the plan would identify Bonus Sites where incentives would be available for the development of Facilities of Special Concern. A technique for this setting of regional priorities was explored by the Task Force. The illustrative sample map on page 53 and Appendix D were used in that exercise. The concerns of the Task Force are listed on page 9 of this report. Then each site in the Industrial Site File (Chapter II) was analyzed to determine the extent to which it supported the regional concerns. For illustration purposes only, approximately one hundred sites were picked to best reflect each of the concerns. In other words, some were large sites, reflecting the needs of industry, some were sites near areas of high unemployment, and so on. The Task Force did not adopt a specific point system nor the number of Bonus Sites which should be identified. It should be noted that industries other than Facilities of Special Concern will not be penalized for locating on Bonus Sites.

  It is recommended that Bonus Sites be identified in a planning process and that the environmental and development conditions can be identified for each of the sites in a manner that can speed up and improve the eventual granting of permits for Facilities of Special Concern. The plan would seek to closely integrate and reflect the policies and concerns of local, regional, State and Federal agencies; translate them with regard to the specific Bonus Site and delineate the means by which they could be met. (Refer to the Preliminary Environmental Issues Statement on page 60.) It is expected that such a process will be particularly useful to the kinds of industries that have had difficulty finding sites in the Bay Area acceptable to regulatory agencies. These agencies should participate in the planning process and it would be expected that they would endorse or adopt the plan. In some cases, when the site or use was particularly unique, certain uses would be matched to sites. Thus, for example, BCDC water-related industry priority sites are reserved for particular kinds of industry.


SONOMA
HEALDSBURG
NAPA
ST. HELENA
SANTA ROSA
VACAVILLE
NAPA
SOLANO
FAIRFIELD
PETALUMA
NOVATO
VALLEJO
MARIN
SAN RAFAEL
CONCORD
CONTRA COSTA
WALNUT CREEK
BERKELEY
SAN FRANCISCO
DALY CITY
HAYWARD
LIVERMORE
ALAMEDA
SAN BRUNO
SAN MATEO
FREMONT
HALF MOON BAY
REDWOOD CITY
PALO ALTO
SAN MATEO
SUNNYVALE
SAN JOSE
SANTA CLARA
MORGAN HILL
GILROY
SAMPLE OF HOW AN INDUSTRIAL LOCATION PLAN COULD BE MAPPED
LESS THAN 100 ACRES BONUS SITES FOR FACILITIES OF SPECIAL CONCERN
100-199 ACRES BONUS SITES FOR FACILITIES OF SPECIAL CONCERN
+200 ACRES BONUS SITES FOR FACILITIES OF SPECIAL CONCERN
OVERALL PLAN INDUSTRIAL DEVELOPMENT AREAS
TARGET AREAS (FOR SPECIAL ASSISTANCE)
ASSOCIATION OF BAY AREA GOVERNMENTS, 1978
0 10 20 MILES
0 16 32 KM

The two most critical situations will be the coordination of the concerns of the many agencies having responsibility for the Bay and air quality concerns. BCDC has already begun this effort for its priority sites around the Bay and it should be extended consistent with this proposed plan. As for air quality, the plan would detail how regional trade-offs or allowances can be granted for developments on the Bonus Sites consistent with the Clean Air Act Amendments of 1977. (Refer to off-sets on page 62.)

The plan would spell out how a Facility of Special Concern would enter the process; the sites considered priority for that kind of development; the incentives that would accrue to the industry locating on the site; and the special procedures to be followed by the agencies in reviewing final development plans.

The number of Bonus Sites must not only reflect the needs of the region for industrial expansion but also the particular locational needs of industry. A considerable margin should be allowed for the variety of industrial opportunities that may occur in the future. While environmental acceptability is important both as a regional concern and as reflection of the policies of regulatory agencies the advantages to the region of industrial development are also considerable.

Preparation Responsibility

- Overall Industrial Location

The overall plan would be prepared by ABAG as a part of the ABAG Regional Plan update. It would require the active participation of local government, business and labor, environmental and community groups. As with other regional plan elements, MTC and ABAG would cooperate in plan preparation.

- Specific Facility Siting

The Specific Facility Siting Component of the plan would be prepared by ABAG (representing local governments) with the cooperation of MTC, BCDC and the APCDs. The SWRCB, RWQCB, State Lands Commission, U.S. Corps of Engineers, California Department of Fish and Game and the State Board of Reclamation would also be encouraged to participate. These latter agencies would primarily be involved after potential Bonus Sites have been selected and the direction of the process shifts to determining how industrial development may occur on those sites.

A policy body representing industry, public interest groups, environmentalists and MTC, BCDC and the APCDs in addition to the member governments of ABAG, should guide the preparation of the plan. An important part of the planning process would also involve the development of memorandums of understanding or other cooperative agreements with the agencies responsible for permit review which would outline how Facilities of Special Concern would be reviewed by the agencies. These arrangements are discussed as a Preliminary Environmental Issues Statement below.

The endorsement of the plan by MTC, BCDC and the APCDs would be sought, with the exact legal form of the endorsement differing somewhat by agency. Endorsement may only be necessary for the part of the plan which concerns each agency. MTC and ABAG already have cooperative planning arrangement secured through memorandums of understanding. The BAAPCD would be acting in its capacity as a fellow air quality maintenance planning agency. Additional agreements would have to be sought with the North Sonoma and Yolo-Solano Air Pollution Control Districts. The exact form of endorsement by BCDC must be fashioned within the powers of their enabling legislation (the McAteer-Petris Act.) However, in its areas of jurisdictions, the plan is expected to be based on BCDC's Bay Plan.

Implementation

Implementation of an Industrial Location Plan will depend on a number of actions by local, regional, State and Federal agencies based on the powers already vested in these agencies. The actions are designed as incentives to industries to locate in areas consistent with the plan and are not intended to act as disincentives or interfere with the process industry uses to site its facilities. The following describes the most important implementation techniques for each of the plan components. Incentives must be further expanded and developed in the planning process. Section B of this chapter then details how each agency plays a part in implementation and how the plan is integrated with the procedures of the agencies.

- Overall Industrial Location

  The overall plan depends primarily on cooperative efforts by ABAG and local government, assisted by State and Federal actions, for implementation:

  - Available industrial sites and Target Areas would reflect local zoning, general plan and economic development policies.

  - ABAG would use its A-95 and CEQA commenting authority to encourage development consistent with the plan. ABAG would also review and comment on local general and economic development plans. Finally, ABAG would review State expenditures in the region for consistency with the plan and forward comments to OPR for inclusion in their reviews.

  - The Governor's Urban Development Strategy contains land use/growth measures that would serve to implement an Industrial Location Plan. Review of projects for growth-inducing impacts should occur for locations outside the areas indicated in the plan.

  - As a means of implementing the alternative site analysis required by the 1977 Clean Air Act Amendments, it is proposed that a regional New Source Review (Air Quality) offset program particularly encourage projects which are consistent with the plan.

- State and Federal agencies would be requested to channel their expenditures for physical developments in a manner consistent with the plan. In addition both the State and Federal governments should explore ways of increasing tax benefits for locational decisions advantageous to the region.

- Specific Facility Siting

Implementation of the Specific Facility Siting component would depend primarily on actions by environmental regulatory agencies consistent with the plan.

- The utilization of a permit coordination process, consolidated pre-application conference and public hearing would be available to assist in the permit review process for Facilities of Special Concern.

- A Preliminary Environmental Issues Statement would serve as a vehicle for regulatory agencies to outline specific conditions, mitigation measures, restrictions or development guidelines for priority sites. It might also provide the basis for an EIR on the site, thus saving time and effort after a specific project is proposed. This Agreement would serve to speed up and improve the decision-making process.

- It is proposed that BCDC authority be expanded to strengthen its role in coordinating development along the Bay by granting them authority to prepare Preliminary Environmental Issues Statements with the assistance of all agencies having jurisdiction. Coordination and pre-determination of conditions will be a primary incentive for projects along the Bay.

- It is proposed that the New Source Review Offset Policy administered by the APCDs incorporate the plan. Facilities of Special Concern locating on Bonus Sites should be encouraged to use available offsets. In this way, offset is administered in the context of an overall regional plan. Alternative industrial site analysis will likely be required by the Clean Air Act Amendments of 1977 for this region after 1979. The plan can provide the basis for this analysis. Through the vehicle of AQMP planning MTC and BAAPCD should cooperate with ABAG in designing this program. Offset is explained in more detail in Appendix F.

- APCDs, BCDC, MTC, RWQCB, State Water Resources Control Board, State Lands Commission, U.S. Army Corps of Engineers, Department of Fish and Game and State Board of Reclamation would be involved in the planning process. The plan would be made consistent with the policies and concerns of these agencies by:

  - preparing the plan to reflect their policies and concerns so that this will avoid later conflict and problems, and/or

  - they agree to use the plan in their decision-making thus simplifying permit review, and/or

- o they participate in delineating their concerns regarding the Bonus Sites so as to provide industry with advanced information on needed mitigation measures.

- o It is proposed that additional authority similar to assessment district and bonding be granted by the State to local governments for Bonus Sites so that Facilities of Special Concern can finance more advantageously certain environmental control costs that might be incurred in developing the bonus sites.

B. IMPLEMENTATION BY AGENCIES

A wide range of regional agencies and local governments are involved in reviewing proposals and making regulatory decisions. These agencies were identified in Chapter III. They each have an individual set of responsibilities but there is often an overlap of concerns such as protecting the Bay and its tributaries. The basic choice in designing implementation measures is between a new arrangement that replaces existing responsibilities or an arrangement that utilizes them. The Task Force recommends that existing arrangements be recognized for the following reasons:

- o Individual agencies have developed technically competent staff in specific areas;

- o Agencies have developed expertise in planning and/or enforcement;

- o Agencies operate under statutory authority to develop and maintain specific plans; and

- o Experience in preparing the Environmental Management Plan indicates that viable coordination among regional and State agencies and local governments is possible.

Most of the actions listed below, by agency, are applicable for both the overall plan and the Specific Facility Siting component. The main differences are that implementation in the first is concerned with general areas while the second is concerned with specific sites.

The following sections lay out action that would be taken by various government agencies in implementing an Industrial Location Plan. This list is suggestive and additional implementation techniques and incentives may be developed in the planning process.

ABAG Implementing Actions

- o Information Center--ABAG would provide a permit handbook, an available industrial site inventory and a regional data bank to potential developers. In addition, the work of the Environmental Management Task Force has established ABAG as an information source on emerging technology for environmental control in industries. The information center would assist both local government and industry.

- Permit Coordination--Coordination among regional agencies would occur in two ways. First, the Environmental Management Plan has provided a vehicle for integrated environmental planning. Once the Environmental Management Plan has been adopted, it is likely that ABAG will retain a coordinating function in the continuing planning process. This will be particularly necessary with air quality planning where multi-agency action is necessary regarding transportation and land use concerns. In addition, the Clean Air Act of 1977 speaks of alternative site analysis for prospective industrial facilities as part of an offset or allowance program. An explanation of the implications of the Clean Air Act Amendments of 1977 is detailed more fully in Appendix F.

  Second, a permit register, permit coordination, a master application and a joint hearing would all require a forum for joint action. The responsibility given to OPR under AB 884 to coordinate permit processing could be delegated directly or indirectly to ABAG or other appropriate regional agencies for Bay Area projects. This assistance would provide permit information to all prospective developers and work directly with industries in resolving permit problems. This would be a voluntary service and be designed for complex multi-agency review situations.

- Preliminary Environmental Issues Statements--The Plan would identify ABAG or another appropriate regional agency in coordinating and preparing Preliminary Mitigation Agreements for those sites designated in the specific component that are not located on the Bay.

  Preliminary Environmental Issues Statements would seek to resolve at a pre-project stage as many potential development issues as possible which regulatory agencies and local governments may have regarding a development site. This would be done for the Bonus Sites. The purpose of the agreement is to make the policies of the agencies specific to the sites, to resolve any conflicts between agencies and to set forth guidelines and mitigation measures which would be required in any case prior to approval. It is a process which must occur before any proposal is approved in any case. But the Preliminary Environmental Issues Statement is intended to speed review and improve decision-making by agencies when a proposal is ultimately made. Ideally industry will be attracted to sites where the mitigation measures can best be met and also save time and money in the approval process.

  Given general information about kinds of industries falling within the definition of Facilities of Special Concern, it appears that much can be decided in advance of a specific development proposal. In a sense, the agencies would be establishing performance standards for the site. Because the one decision-making document all agencies must use is

an Environmental Impact Report and because the California Environmental Quality Act requires the EIR to specify mitigation measures, an EIR may be a vehicle for this interagency agreement. The ABAG BASIS system (Chapter II) and the Preliminary Environmental Issues Statement may be able to provide the basis for an EIR, thus offering an industry additional incentives. The Governor's Office of Planning and Research has not yet finished a study of the feasibility of Master EIRs. Final analysis of the potential use of a Preliminary Environmental Issues Statement as a basis for an EIR must await the results of that study.

Air quality considerations will present a particular challenge in preparing such a statement. While the specific impact of a facility on ambient air quality may have to await modelling at the time of a proposal, it would appear that a great deal of guidance can be given. Updated material on available control technology can also be provided. The APCD can specify whether the site is in a non-attainment area for any pollutant, what level of emissions will trigger New Source Review and general guidelines for available control technology. Most importantly, however, the Statement would speak to how an industry may avail itself of a regional off-set or allowance program for development of the site. This concept is explained more fully in Appendix F. Furthermore the Statement would provide the basis for the analysis of alternative sites, sizes, production processes and control techniques as required in the Clean Air Act of 1977.

BCDC would be asked to assume lead responsibility in developing the Preliminary Environmnetal Issues Statements for bonus sites within its jurisdiction. This would be an extension of BCDC's current efforts to determine development guidelines in its Special Area Plans. BCDC's responsibility is explained more fully below.

- Review of Plans and Projects (A-95 and CEQA)--ABAG presently comments on Federal grant applications through OMB A-95 system and on development proposals through CEQA. The implementation of an industrial location plan would expand and formalize this role. First, ABAG would review State expenditures in the Bay Area for consistency with the regional plan. Secondly, State agencies would be encouraged to submit State-funded programs for A-95 review and requested to base funding decisions in large part on comments received from clearinghouses.

APCD Implementing Actions

- Permit Issuance Consistent with the plan--siting proposals would be reviewed within the existing APCD permit process in the following manner:

- Industrial Facilities of Special Concern with carbon monoxide (CO), sulfur dioxide (SO_2) or nitrogen dioxide (NO_2) which do not meet Federal and State standards could locate on Bonus Sites within attainment areas. The Industrial Location Plan would provide sufficient number of other sites within attainment areas to accommodate such industries. They would be limited in locating on sites located within non-attainment areas for such pollutants. However, an offset program as described below could also be designed to allow Facilities in non-attainment areas.

- APCD would continue to use their existing permit processing procedures for the above conditions.

o Preliminary Environmental Issues Statement--APCD would participate in the inter-agency team preparing the Preliminary Environmental Issues Statements for the Bonus Sites. They would indicate the air quality mitigation measures necessary for development at those sites, where possible.

o Provision of the Clean Air Act of 1977--Certain provisions of the Clean Air Act of 1977 suggest options for dealing with major new industrial developments. If the options listed below are permitted by new Federal legislation, implementation would be the responsibility of the BAAPCD within the context of the Air Quality Maintenance Plan and other District plans and policies. Other APCDs should be guided by the State Implementation Plan for air quality.

  Based on a preliminary assessment of the Federal legislation the following may be possible techniques for dealing with new industrial growth: Industrial Facilities of Special Concern that emit hydrocarbon at levels sufficient to violate the APCD's current New Source Review regulations would receive favorable approval provided (1) they located at Bonus Sites, and (2) they contribute to a basinwide program, provided in the Air Quality Maintenance Plan, that more than reduced the pollutants they would emit. Such a program might be based on:

  a) new source allowances provided in the AQMP;

  b) car emission reductions due to new facilities being located near to mass transit;

  c) control technology for industry, beyond that required by the AQMP;

  d) special district financing method whereby new hydrocarbon emitting industries would pay a tax used for specific program concerned with reducing hydrocarbons from other point or mobile and area sources; or,

e) other basinwide emission trade-off programs to reduce hydrocarbons in amounts at or a rate greater than that provided in the AQMP. Such emission reductions would occur only due to the financial or fiscal incentives provided by the new industrial development.

Such an approach should then be discussed in depth with the APCDs, CARB, MTC and EPA and such a program for industrial growth should be incorporated into the AQMP now being prepared. Its ultimate use will depend on the final form of other AQMP policies and their impact on industrial growth.

In addition the APCD should participate with ABAG and MTC in the development of the program to analyze alternatives to siting proposals, as required by the Amendments of 1977. This program should use an Industrial Location Plan as a basis for the analysis.

It should also be noted that offset would also be available to industries which agree to reduce by the requisite ratio, point source emissions under their control.

BCDC Implementing Actions

- Permit Issuance Consistent with the plan--BCDC would be central to implementation of the plan, and it would reflect BCDC's Bay Plan for industrial sites within its jurisdiction around the Bay. In establishing the priority use sites, BCDC has already accomplished the first step in the planning process--establishing the regional priorities and identifying Bonus Sites. Using its permit authority, BCDC can reserve these sites for industrial use. Bonus Sites around the Bay would be BCDC's 1) Water-Related Industry, 2) Seaport or 3) Airport Priority Use sites. A facility which meets the definition of a Water-Related Industry will most often also meet the definition of a Facility of Special Concern. Seaport and Airport Priority areas may or may not be developed by an industry which meets the definition of a Facility of Special Concern. BCDC would participate in the preparation of the Specific Facility Siting component of the plan and be asked to endorse appropriate portions of the plan. Many sites around the Bay extend beyond the 100 foot BCDC jurisdictional band and therefore the participation of local governments will be particularly critical.

- Preliminary Environmental Issues Statement--The plan would strengthen the role of BCDC in developing guidelines for the development of the Bonus Sites. The Preliminary Environmental Issues Statement would be more detailed than most of the Special Area Plans BCDC has developed to date. For the Bonus Sites within its jurisdiction, BCDC would take the lead in preparing an interagency pre-project agreement on what conditions will lead to the approval of regulatory agencies. This agreement can also provide information which can later serve as the basis for an EIR on the development of the site. It is around the Bay that the problems of multi-agency jurisdiction and permit process coordination have been most apparent and BCDC has had considerable experience in attempting to resolve these problems.

Regional Water Quality Control Board (RWQCB)

- Permit Issuance Consistent with the Plan--The specific facility siting component would be integrated within the existing RWQCB permit process in the following manner:

  - Industrial Facilities of Special Concern that require a NPDES permit can locate on Bonus Sites where direct discharge is made to an Effluent Limited Segment.

  - Industrial Facilities of Special Concern can locate on a site where there could be a direct discharge to a Water Quality Limited Segment, dry creek or flood channel provided the discharge is treated to a quality level specified in the Preliminary Mitigation Agreement for the site.

- Preliminary Environmental Issues Statement--RWQCB would participate in the inter-agency team preparing the Preliminary Environmental Issues Statements for the Bonus Sites. They would indicate the water quality mitigation measures most appropriate for industrial development at those sites.

- Review of Plans and Projects--The RWQCB is also important in implementing the overall plan because the Regional Board has authority to regulate service discharges and local sewage connections when a treatment facility comes within 20% of treatment capacity. The RWQCB certifies projects which require a Federal permit and issues NPDES permits for discharges to surface waters of the State. They adopt waste discharge requirements for discharges to land. In addition, the RWQCB reviews projects that might have an impact on water quality.

  The RWQCB assisted in preparing a 20 year list of proposed wastewater treatment facilities with ABAG as a part of the Environmental Management Plan. In the update of this list economic development policies of the Regional Plan would be considered.

State Water Resources Control Board (SWRCB) Implementing Actions

- Preliminary Environmental Issue Statement--SWRCB would participate, when necessary in the inter-agency team preparing the Preliminary Environmental Issues Statements for the Bonus Sites. They would outline the circumstances that would allow a developer to appropriate water from underground or surface sources. If the industrial facility is to be located on a site to which purchased water can be brought, an alternate groundwater supply is available, riparian rights accrue or if the owners gain rights to use water which were established before and used continuously since before December, 1914, a

water permit may not be needed. That does not mean that the supply of water is adequate. Many lakes, rivers, and streams have water which may be appropriated for approved uses some or all months of some or all years. Use of percolating groundwater does not require an entitlement from the SWRQCB.

Preliminary Environmental Issues Statement would assure that the priority sites had sufficient water available for the proposed uses. The SWRCB could then agree in advance to the range of uses proposed for these sites.

- Review of Plans and Projects--The SWRCB is also important in implementing the overall plan. The Board authorizes the grant eligibility of an application for Federal wastewater treatment funds. In critical air basins such as the Bay Area, the Board uses the State Department of Finances E-O population projections to determine need. The SWRCB will review and adopt a State 208 plan based on regional plans which assign priorities for new facilities based on the 20 year Project list. In the update of the list as a part of the EMP continuing planning process, economic development policies of the Regional Plan would be considered.

State Lands Commission Implementing Actions

- Preliminary Environmental Issues Statement--The State Lands Commission would participate, when necessary, on the inter-agency team preparing the Preliminary Environmental Issues Statements for the Bonus Sites. They would outline the range of maximum potential uses for the site.

U.S. Army Corps of Engineers Implementing Actions

- Preliminary Environmental Issues Statement--The Corps of Engineers would participate, when necessary, on the inter-agency team preparing the Preliminary Environmental Issues Statements for the Bonus Sites. They would outline any appropriate mitigation measures required for site development.

Department of Fish and Game Implementing Actions

- Permit Issuance Consistent with the Plan--The Specific Facility Siting Component would be integrated within the existing Fish and Game permit process by omitting from the Bonus Site list those locations containing rare and endangered species whose protection could not be secured.

- Preliminary Environmental Issues Statement--The Department of Fish and Game would participate, when necessary, on the inter-agency team preparing the Preliminary Environmental Issues Statements for the Bonus Sites. They would outline mitigating conditions regarding streambed alterations and fish and wildlife protection.

Local Jurisdiction Implementing Actions

- Permit Issuance Consistent with the Plan--The Specific Facility Siting Component would largely be a reflection of local planning policies and would be implemented through local actions. Bonus Sites could be adopted as part of general plans. Additionally, local government should encourage Bonus Sites to be reserved for facilities of special concern because of the special benefits that would accrue to these cities and counties.

- County Local Agency Formation Commissions should implement the overall plan by establishing regionally consistent phased growth patterns for cities within their jurisdiction.

- Preliminary Environmental Issues Statement--Local government would participate in the inter-agency team preparing the Preliminary Environmental Issues Statements. They would outline those conditions presently required in local ordinances and plans.

Federal and State Government Implementing Actions

- Special Designation for Financial Assistance--To provide incentives for implementing the plan, it is proposed that the State authorize for localities the use of such special financing techniques such as assessment districts and special bonding capacity for industrial development areas. This would allow the collective financing of environmental control measures or area improvements that would act as incentives to industry to locate in such areas. Authorization for such financing would be limited to areas designated for development by the plan.

  Additionally, Federal agencies, such as HUD and EDA, are giving increasing attention to the revitalization of the industrial base of declining urban core areas. Both HUD and EDA are assisting the framing of this Administration's urban development strategy and both have stated that urban economic, social and physical decay must be addressed at the regional level. Therefore, it can be expected that HUD Urban Development Action grants and EDA Designated Area funds will soon be directed towards communities identified in a regional plan. The Industrial Location Plan would support these efforts by identifying Target Areas for these expenditures.

- Tax Benefits--There are opportunities at both the State and Federal levels to create tax benefits for the location of industry consistent with the Regional Location Plan. Depreciation is one area where tax policies might be used to support the regional plan. There is already precedent for accelerated depreciation in both environmental control and moderate priced housing programs. Because many of the facilities of critical concern involve heavy capital investments, the potential impact of accelerated depreciation benefits and increased investment tax credits is great. The

location of an industry on sites that cause less social costs in terms of environment, infrastructure, etc. would appear to justify tax benefits. Such an argument may satisfy the constitutional problems raised earlier in California on special property tax exemptions for industrial properties.

It has also been suggested that local governments share a proportion of additional tax base generated by new industrial development in the region. Such a measure would be intended to reduce intra-regional competition for industrial facilities and thus support regional urban development policies. It was felt that both the details and an assessment of the potential impact of such a proposal were beyond the time and resources of the Task Force.

C. OPR INDUSTRIAL SITING LEGISLATION

At approximately the same time as the Industrial Siting Task Force was established, the Governor's Office of Planning and Research prepared legislation to mandate industrial siting plans for metropolitan councils of governments. As a recommendation contained in the preliminary draft of OPR's Urban Development Strategy, industrial siting generated considerable controversy at a number of hearings throughout the State. Early in its deliberations, the Industrial Siting Task Force expressed reservations concerning the industrial siting legislation proposed by OPR. The Task Force decided (with the consent and understanding of OPR) to develop recommendations based on their assessment of industrial siting issues as well as comment on the initial OPR legislation. A copy of the draft legislation and a more extensive analysis is attached as Appendix E.

Briefly, the legislation mandates industrial siting by metropolitan councils of government through the use of a task force similar to the Industrial Siting Task Force. Their plan would be adopted by the executive committee of the COG and then certified by a State Council composed of the Secretary of the Business and Transportation Agency, the Secretary of the Resources Agency and the Director of OPR. If the Council ultimately determines that the plan does not meet its criteria or the COG does not prepare a plan, OPR is authorized to prepare one for that region. Local and regional or State agencies are to participate in the planning process by commenting on consistency. Once a plan is adopted, a development proposal consistent with the plan must be approved by those agencies. They are encouraged to approve proposals consistent with the plan to the extent possible.

Basically the differences between the legislation and the recommendations of the Task Force are over emphasis and what should

and should not be mandatory. Many of the initial objections to the legislation have been corrected and the similarities of the proposals are more marked.

In summary the differences are:

- o What is considered to be a regionally significant facility,
- o The absence in the bill of a means to address the more general issues of industrial growth and location,
- o Rights and responsibilities of regional regulatory agencies in the planning process,
- o The mandatory nature of the plan and the State Certification procedure,
- o The greater potential in the bill for additional administrative "hoops", and
- o The consequence for development proposals inconsistent with the plan.

There are many similarities between the legislation and the industrial siting plan proposed in this report. They both recognize the need for an integrated solution to the problem; they both recognize existing regulatory process problems; they both would seek to set priorities for development of industrial sites and try to attach implementation mechanisms to those priorities. Basically they are both intended to support the regional siting objectives adopted by the Task Force and described in the beginning of this chapter.

D. RECOMMENDATIONS FOR REGIONAL PLANNING

Agency and Action	Implementing Vehicle
1. ABAG--Prepare an Industrial Location Plan	1. o ABAG Executive Board approval.
a. An overall industrial location plan would be prepared as a part of the ABAG Regional Plan.	o Consideration of applicable recommendations by the EMTF for inclusion in EMP.
b. A Specific Facility Siting component would be a part of the overall plan and address the particular problems of Facilities of Special Concern.	o Continued allocation of ABAG funds for this purpose.
	o Seeking new funds for expanded planning.
c. Incentives to effectively implement the plan would be further developed and expanded.	o Continued OPR-ABAG cooperation in preparing plan.

Agency and Action	Implementing Vehicle
2. Environmental Regulatory Agencies. a. Participation in the planning process in an attempt to integrate policies with the Industrial Location Plan and to prepare Preliminary Environmental Issues Statements for Bonus Sites. b. Adoption or endorsement of the AQMP with recommended revisions to address Federally-mandated industrial site analysis and offset. c. Incorporation of the Bay Plan as a part of the Industrial Location Plan and the preparation of Preliminary Environmental Issues Statements for Bonus Sites around the Bay.	2. o Appropriate action by policy bodies of APCDs, MTC, SWRCB. o Action by each regulatory agency and memorandum of understanding among agencies. o AQMP agencies action (ABAG, MTC, BAAPCD.) o BCDC action.
3. Local Government--participate in the preparation of an Industrial Location Plan and cooperate with other agencies in the development of Preliminary Environmental Issues Statements for Bonus Sites.	3. o City and County Governments through ABAG and individually
4. Federal Government--Agree to channel funds for economic and urban development through COGs having an approved regional industrial location plan.	4. o Commitments from individual Federal agencies.

ECONOMIC AND DEMOGRAPHIC PROFILE

This Appendix has been included in the Final Report of the Industrial Siting Task Force to provide a context within which industrial siting will operate in the Bay Area. It is a brief collection of data from several different sources, primarily ABAG's Series 3 Projections. Because the preparation of this profile was not a major focus of the Pilot Project, little original research has been done. In some cases it goes beyond Series 3 in areas felt to be of concern to the Task Force and persons interested in industrial siting. In most cases, however, more detailed analysis can be provided by Series 3 or other work of ABAG's Technical Analysis staff.

The following major points will be discussed in this Profile:

- Population and labor force are expected to continue their concentration in the SF-O SMSA through the year 2000.
- Job creation is increasing and the labor force is growing at a faster rate than population.
- Bay Area unemployment continues at a higher level than the national average.
- The highest percentage of unemployed persons is among non or semi-skilled workers.
- Unemployment in the region tends to be concentrated in the older urban areas.
- It it expected that there will be an increasing percent of professional and technical positions while the proportion of craftsman and operator positions will decline.
- Bay Area residents are traveling further to their jobs than they were five years ago.
- It is expected that employment growth will outstrip housing growth in Santa Clara County while in Solano County housing will outstrip employment growth.
- Santa Clara and Alameda County have been increasingly favored by industry as locations for large manufacturing facilities.
- 55.2 thousand acres are now in active industrial use while 62.3 thousand acres, zoned industrial are vacant.

- Over 1/3 of available industrial land is located in Santa Clara and Alameda Counties.

- San Francisco-Oakland SMSA will continue to have the largest number of basic industry jobs.

- It is estimated that each job in the basic sector generates almost 2 jobs in the service sector.

- Basic employment will grow by 20-30% between 1975 and 2000.

- Manufacturing employment represents 17% of all persons employed and is projected to represent 17-19% in the future.

- Employment in manufacturing is shifting to high technology and electronics manufacturing. Food processing employment is projected to decline the most among manufacturing industries.

- Manufacturing industries in the Bay Area growing faster than the national rate are chemicals, electronics, and electrical equipment. Industries growing slower than the national rate include food processing, paper and printing, and petroleum.

POPULATION AND LABOR FORCE

Population of the region is estimated to grow between .5 and 1.0 percent per year. In 1975, the Bay Area had an estimated population of 4.8 million persons. This is an increase of 200,000 from 1970. In the year 2000, the population is projected to be between 5.4 - 6.1 million persons.

In comparing the four Bay Area SMSA's, San Francisco-Oakland (SFO) SMSA contains the highest number of people and will continue to do so in the future. San Jose (SJ) SMSA containes the second highest, Vallejo-Fairfield-Napa (VFN) SMSA third and Santa Rose (SE) fourth. The following chart gives the existing and projected population figures for these areas.

Existing and Projected Population

	1970	1975	2000
Region	4.6 million	4.8 million	5.4-6.1 million
SF-O	3.1 million	3.1 million	3.4-3.8 million
SJ	1.06 million	1.1 million	1.2-1.4 million
SR	200,000	245,357	340,000-415,000
VFN	249,000	276,237	380,000-424,000

The number of persons in the labor force is the combined total of persons employed and those umemployed. According to Series 3 projections the labor force is growing at a faster rate than population. The labor force will grow at .9%-1.3% per year as compared to the population growth rate of .5-1.0% per year. More jobs will be needed to meet increased demand.

Of the 4.6 million Bay Area residents, there were 2.12 million in the labor force. Forty-four percent of persons living in the Bay Area were either employed, or actively seeking work but unemployed. In the year 2000, the labor force is expected to represent between 48.3-49% of the population. This indicates a higher percent of persons will be seeking jobs in the future. In 2000 the labor force is expected to be between 2.65 and 2.95 million persons.

Population and Labor Force

	1970	2000
Population	4.6 million	5.4-6.1 million
Labor Force	2.12 million	2.65-2.95 million
Percent of population in the labor force	44%	48.3 - 49%

The U.S. labor force is projected to change in ways that may effect the number and kinds of jobs needed in the future. The median age will decline from 38 in the 1960's to 35 by 1980. This is caused by the advancing age of the "baby boom" population currently comprising 20% of the labor force. In 1980 this special group will comprise 25% of employed persons. The median age will continue to change first declining then increasing as this population group moves through the life cycle.

There is also an increased proportion of women workers. In 1960, 32% of working age (16-35) women in the U.S. worked. This figure increased to 36.7% in 1970 and is projected to increase to 38.5% in 1980. Teenagers and those in the 20-24 age group are increasing their participation in the labor force too while those over 55, especially males, are participating less. Better pension plans and early retirement opportunities are allowing persons to retire at an earlier age.

California and the Bay Area historically have unemployment rates higher than the nation. Within the Bay Area, Santa Rosa SMSA most frequently has the highest unemployment rate while San Jose SMSA has the lowest. Thus those areas of highest unemployment need to create even more jobs to keep pace with the rising demand for employment.

Unemployment Rate

	1975	1976	1977
U.S.	8.9	7.9	7.0
California	9.9	9.2	8.1
Region	10.9	10.3	8.5
SF-O	11.9	10.2	8.3
SJ	9.8	7.3	5.7
SR	N/A	12.0	8.7
VFN	7.3	7.9	7.0

The largest number of unemployed persons are those persons with few or no job skills. Teenagers and those persons who have not completed high school or job training programs are those who have the most difficulty finding jobs. In addition, unemployment is very high among minorities.

Although unemployment statistics are collected on citywide or countywide basis there seems to be a few smaller areas in the region that can be identified as having a high concentration of unemployed persons. Unemployment is greatest in the older urban areas, particularly where minorities are concentrated. North Richmond, Oakland, Hunters Point in San Francisco, and East Palo Alto are areas where large numbers are unemployed.

Employment trends (discussed in more detail later in this report) indicates that the greatest number of manufacturing jobs will be in high technology industries. Experience from Santa Clara County indicates that these industries require a higher skill level then is generally required for other industries.

There are twice the percentage of highly trained professional or technical workers for Santa Clara (e.g., electronics) as for the State in general. Conversely, the opportunities for the traditionally medium to lower skill jobs of operatives, service workers and laborers are substantially lower. Even these so-called lower skilled jobs call for substantially greater skills than required by the counterparts in other industries. Electronic assemblers frequently require previous training in local trade schools or community colleges.

This indicates that there will be an increasing percent of professional technical positions even among manufacturing industries while the proportion of operator and craftsman positions will decline. Those persons presently unemployed would need to be trained to qualify for jobs in this expanding manufacturing sector if the region's unemployment problems are to be addressed. If those presently unemployed cannot fill anticipated employment needs, workers from other areas will come in to take those positions.

The Department of Labor and the Bureau of the Census classify employment in ten basic categories. The following chart shows the distribution of these occupations in the Bay Area.

DISTRIBUTION OF OCCUPATIONS IN THE
SAN FRANCISCO/OAKLAND SMSA, 1970

OCCUPATION CATEGORY	EMPLOYMENT	PERCENT
Professional and Technical Workers	230,103	18.2
Managerial and Administrative Workers	119,603	9.4
Sales Workers	103,606	8.2
Clerical Workers	292,184	23.0
Craftsmen	156,214	12.3
Operators, except transport	103,579	8.2
Transport Operators	43,420	3.4
Laborers	49,709	3.9
Farm Workers	6,090	0.5
Service Workers	163,135	12.9
TOTAL	1,267,643	100.0

Source: Detailed Characteristics, 1970 Census of Population; California Section, November 1972. Tables 138-189.

Recent transportation studies indicate that Bay Area workers are traveling further to work than they were 5 years ago. Each worker travels an average of 11 miles to work. This figure has been increasing about 1/2 mile every 5 years.

U.S. Census statistics for 1970 illustrate some other facts about workers and their commute distances. In most of the Bay Area region between 12-15% of the workers travel outside of their SMSA to work. San Francisco residents are the exception perhaps because of the close proximity of housing to jobs. Only 3% of San Francisco residents travel outside of their SMSA to work.

More jobs will be created in Santa Clara County than housing can be built to support these new workers. This will increase the number of work trips into the county by outside residents.

Marin and Napa Counties are projected to have slow employment growth. Series 3 estimates that neither county will obtain a significant number of new jobs. Both counties will continue to have many residents working outside the county.

In Solano County, housing growth is projected to grow at a rapid rate. Employment will not be able to keep pace with this growth and many residents will have to seek work outside the county. Housing growth will outstrip employment growth.

LAND USE

It appears that many large manufacturing firms prefer to locate in Santa Clara and Alameda Counties. This location trend may continue as much of the industrial land reserve is located in these two counties, and corporations are purchasing large sites there.

The following chart illustrates that the majority of manufacturing firms employing more than 250 persons are located in Alameda and Santa Clara Counties. Of 475 large firms, 152 are located in Alameda County and 127 in Santa Clara County.

DISTRIBUTION OF LARGE MANUFACTURING FIRMS
(More Than 250 Employed) IN THE BAY AREA, 1975

County	Number of Firms	Percent
Alameda	152	32.0
Contra Costa	45	9.5
Marin	7	1.5
Napa	1	0.2
San Francisco	74	15.6
San Mateo	52	10.9
Santa Clara	127	26.7
Solano	8	1.7
Sonoma	9	1.9
TOTAL	475	100.00

Source: Tabulation of employees and employment provided by the California Economic Development Department.

ABAG's 1975 local development policy survey indicates that 55.2 thousand acres in the Bay Area are now used for industrial purposes while 62.3 thousand acres are held in reserve for the future. Over 1/3 of this industrial land reserve is located in Alameda and Santa Clara counties while another 1/3 of the region's industrial reserve (28 thousand acres is located in the north bay counties. These reserves will prove more than adequate through 1980. The industrial growth projections show about 11% of the reserve will be consumed by 1990 in the higher projections and about 6% in the lower industrial projection. The projected consumption of industrial land is highly concentrated in the south bay counties.

A recent report in Western Real Estate News describes large site acquisitions by companies in the Bay Area for the last 8 years. There were 50 sites larger than 20 acres that were purchased by corporations between 1969 and 1976. Of these, six sites were over 101 acres, 9 sites between 50 and 100 acres and 35 sites between 20 and 49 acres.

SITE ACQUISITIONS BY CORPORATIONS IN BAY AREA 1969-1976

	1969	1970	1971	1972	1973	1974	1975	1976
Total over 20 acres	7	16	3	5	4	6	4	5
20 - 49 acres	5	12	1	1	4	5	4	4
50 - 100 acres	2	3	0	3	0	1	0	0
101 + acres	0	2	2	1	0	0	0	1

Santa Clara County had the highest number of sites purchased during this period with Alameda and Contra Costa Counties close behind. However, in terms of total large acreage purchased, Contra Costa had the highest acreage followed by Santa Clara, Solano and Alameda Counties. In this report San Francisco and San Mateo showed no large site acquisitions over 20 acres by corporations.

SITE ACQUISITION OF CORPORATIONS LISTED BY COUNTY AND SIZE

County	20-49 acres	50-100	101+	Total Sites	Total Acres
Alameda	11	2	-	13	419.2
Contra Costa	9	1	2	12	1,164
Marin	1	-	-	1	38
Napa	-	1	-	1	73
San Francisco	-	-	-	-	0
San Mateo	-	-	-	-	0
Santa Clara	8	5	1	14	748
Solano	6	-	2	8	593
Sonoma	-	-	1	1	175

SF-O SMSA will continue to contain the largest number of basic industry jobs primarily in wholesale trade, business services, Federal and State government and long distance transportation. Between 1975 and 2000 this area is projected to gain 146,000 jobs in basic industry. San Jose will have the next highest basic industry employment while Santa Rosa is projected to edge Vallejo-Fairfield-Napa SMSA in the number of basic industry jobs by the year 2000.

Basic Industry Employment Figures

	1975	1990	2000	Net Increase 1975-2000	Projected Change 1975-2000
Region Total	949,700	1,150,000	1,267,000	317,000	33%
SF-O	623,000	718,000	769,000	146,000	23%
SJ	261,000	347,000	369,000	135,000	51%
SR	30,000	41,000	51,000	21,000	70%
VFN	33,000	45,000	49,000	16,000	48%

INDUSTRY

Basic industry employment is important to the region because it creates additional jobs in other areas of the economy. For every one job in basic or export industries there are almost two jobs in the service sector. Thus, increased employment in the Basic Industry area will have a "multiplier" effect on other employment areas. Conversely when basic industries do not expand as rapidly as expected it adversely affects the regional economy. Less money is available to purchase goods and services and employment growth in local-service industries is reduced.

Basic industry groups mainly produce goods and provide services for markets outside the region. These groups include: agriculture, forestry, fisheries, mining, printing and publishing, heavy industry, food processing, high technology manufacturing, metal fabrication, machinery, transportation equipment, miscellaneous manufacturing, long distance transportation, wholesale trade, finance and insurance, business services, institutional services, and Federal and State government.

In 1975 there were 950,000 persons employed in basic industry jobs and this number is projected to increase to 1.2 million in 2000. This represents an increase of 20-30% between 1975 and 2000. Basic industry jobs represent 46.5% of employed residents in the Bay Area and will represent 41.9-46.6% in 2000.

Basic Industry Employment

	1975	2000
Basic industry employment	950,000	1.2 million
Employed residents	204 million	2.57-2.86 million
Basic industry employment as % of employed residents	46.5%	41.9-46.6%

Of the fourteen basic industry categories the following five are estimated to gain the greatest number of employees in the year 2000: high technology manufacturing, business services, metal fabrication, machinery transportation equipment, institutional services and wholesale trade. Four industries show a net loss in jobs in 2000 from present figures: agriculture, forestry and fisheries, mining, printing and publishing and food processing. In all basic industry employment will gain 476,000 jobs between 1965 and 2000.

Existing and Projected Employees In 14 Basic Industry Categories

(In Thousand Employees)

BASIC INDUSTRY CATEGORIES	1965	1975	1990	2000	Net Change 65-2000
Agriculture, Forestry & Fisheries	44.6	35.3	26.7	23.9	- 20.7
Mining	2.5	2.0	1.8	1.8	- .7
Printing and Publishing	25.3	25.1	26.3	25.0	- .3
Heavy Industry	73.0	63.8	74.8	80.9	+ 7.9
Food Processing	57.0	44.0	27.9	21.1	- 35.9
High Technology Manufacturing	63.3	110.0	167.1	197.7	+134.4
Metal Fabrication, Machinery, Transportation Equipment	65.2	89.7	116.5	125.3	+ 60.1
Miscellaneous Manufacturing	25.3	28.6	40.7	44.9	+ 19.6
Long Distance Transportation	63.3	81.5	100.6	107.2	+ 43.9
Wholesale Trade	105.0	128.2	142.3	152.1	+ 47.1
Finance & Insurance	33.3	37.8	56.3	61.2	+ 27.9
Business Services	48.5	84.0	122.1	149.5	+101.0
Institutional Services	72.0	95.9	118.3	130.9	+ 58.9
Federal and State Government	112.4	123.8	130.4	145.9	+ 33.5
Total	790.7	949.7	1151.8	1267.4	+476.7

Within the 14 basic industrial categories there are 6 that are considered manufacturing industries. These 6 industries illustrate manufacturing employment trends in the Bay Area for the future.

In 1965 there were 309 thousand employees in these manufacturing industries. Between 1965 and 1975 there were 52 thousand new jobs created. There will be 494 thousand manufacturing jobs in the year 2000: a total increase of 185 thousand jobs between 1965 and 2000.

These manufacturing positions represent 17% of the total number of persons employed in the Bay Area. They will continue to represent 17-19% of employed residents in the year 2000. This illustrates that the total percentage of manufacturing jobs will not change significantly and may even increase slightly when compared to the total number of persons expected to be employed in 2000.

MANUFACTURING EMPLOYMENT
Existing and Projected

	1965	1975	2000
Total 6 manufacturing categories	309,100	361,200	494,300
Employed Residents	N/A	2.04 million	2.57-2.86 million
Manufacturing employment as % of employed residents	N/A	17.7%	17.2-19.2%

Of these six manufacturing industries, high technology manufacturing will gain the greatest number of employees while food processing will lose the most employees. There appears to be a dramatic shift from high employment in food processing to large employment in high technology manufacturing. The following table illustrates the anticipated change in the other manufacturing categories.

Existing and Projected Employees
In 6 Manufacturing Categories
(In Thousand Employees)

	1965	1975	2000	Net Change 1965-2000
Printing and Publishing	25.3	25.1	25.0	- .3
Heavy Industry	73.0	63.8	80.9	+ 7.9
Food Processing	57.0	44.0	21.1	- 35.9
High Technology Manufacturing	63.3	110.0	197.7	+134.4
Metal Fabrication, Machinery, Transportation Manufacturing	65.2	89.7	125.3	+ 60.1
Miscellaneous Manufacturing	25.3	28.6	44.9	+ 19.6
Total	309.1	361.2	494.3	+185.8

The following chart illustrates the various size characteristics of the 6 Bay Area manufacturing and processing industry sectors in 1975. The size characteristics include total number of employees, number of firms, average size of the firms, and the number of firms with over 500 employees. It is interesting to note that of 6500 manufacturing and processing firms, 76 employ over 500 persons, a little over 1%. The average firm employs between 8 and 19 persons. Only 4 manufacturing subcategories have a higher average employee size (paper and allied products, primary metal industries, food and kindred products, and electrical equipment and supplies). One subcategory, miscellaneous manufacturing, has a lower average size employing between 4 and 7 persons.

SIZE CHARACTERISTICS OF BAY AREA
MANUFACTURING AND PROCESSING INDUSTRIES

1975

EMPLOYMENT GROUP NAME	1967 SIC COMPONENT	Total # Employees	No. of Firms	Av. Size of Firms	No. Firms over 500 Employees
Printing and publishing	27-Printing and publishing	23.1	1109	8-19	6
Heavy Industry	26-Paper and allied products	9.6	123	20-49	1
	28-Chemicals & allied products	15.7	282	8-19	2
	29-Petroleum refining & allied industries	9.1	44	8-19	4
	30-Rubber & miscellaneous plastic products	5.1	188	8-19	1
	32-Stone, clay, glass, & concrete products	3.3	94	8-19	4
	33-Primary metal industries	12.9	124	20-49	7
Food Processing	20-Food and kindred products	44.2	635	20-49	4
High technology manufacturing	36-Electrical equipment & supplies	64.5	534	20-49	20
	38-Instruments & related products	17.8	265	8-19	1
Metal Fabrication, machinery, transportation equipment	34-Fabricated metal products	[illegible]	708	8-19	5
	35-Machinery, except electrical	48.1	1067	8-19	7
	37-Transportation equipment	35.1	211	8-19	8
Miscellaneous Manufacturing	22-Textile mill products	.6	31	8-19	-
	23-Apparel and related products	10.6	372	8-19	3
	24-Lumber and wood products	3.9	241	8-19	1
	25-Furniture and fixtures	4.3	191	8-19	2
	31-Leather & leather products	.6	31	8-19	-
	39-Miscellaneous manufacturing	3.6	277	4-7	-

Series 3 compared Bay region and national growth trends of manufacturing industry groups for the years 1970-1975. For those industries where the regional growth rate exceeded the national rate, the region has a "comparative advantage." For those where the regional growth rate was less than the national rate, the industry has a "comparative disadvantage." This analysis is relative. For example where an industry is declining nationally but declining less rapidly regionally, the region would have a comparative advantage. Conversely the region would have a comparative disadvantage where an industry grew regionally but less rapidly than nationally. The following chart lists those comparisons.

COMPARISON OF BAY REGION AND NATIONAL GROWTH TRENDS
OF MANUFACTURING INDUSTRY GROUPS, 1970-1975

INDUSTRIES GROWING FASTER THAN NATIONAL RATE, 1970-1975 (Comparative Advantage)	INDUSTRIES GROWING SLOWER THAN NATIONAL RATE, 1970-1975 (Comparative Disadvantage
Industry	Industry
Ordnance	Food
Textiles	Lumber
Apparel	Furniture
Chemicals	Paper
Leather	Printing
Primary Metals	Petroleum
Non-electrical Machinery	Rubber
Electric Test & Distributing Equipment	Stone, Clay and Glass
	Fabricated Metals
Communication Equipment	Radio & TV Receiving Equipment
Electronic Components	
Other Electrical Equipment	
Transportation Equipment	
Instruments	
Miscellaneous Manufacturing	

These trends support the projected employment figures discussed above. The food processing and printing industries are among those growing at a slower rate in the Bay Area while electrical components and equipment, transportation equipment and non-electrical machinery are among the industries projected to increase substantially in the future.

APPENDIX B

BAY AREA PERMIT DIRECTORY FOR INDUSTRIAL DEVELOPMENT

Copies of the Directory are available at ABAG offices for $2.00 per copy.

Industrial Siting and Permit Streamlining Attempts in Other States

California is not alone in its deep concern with the issue of Industrial Siting. Every state in the nation is confronted, to some extent, with the industrial growth - environmental protection dilemma. However, in several states, particularly those with unique environmental qualities, the issue is of similar critical importance. So critical, in fact, that a handful of states have already enacted legislation attempting to deal with industrial siting on a statewide basis. The laws in other states present some unique approaches to industrial siting that might be of interest in solving the problem as it exists in California. This section will summarize the legislation enacted in seven other states in which industrial siting or "permitting" have been addressed on a statewide basis.

Three states, Washington, Oregon and Maryland, have passed laws dealing specifically with efforts to "streamline" an already complex permit process. Two states, Maine and Wyoming, have enacted "industrial siting" legislation. Finally, two states, Florida and Vermont, have totally overhauled their land use regulatory systems to deal with "regionally significant" development (industrial and non-industrial) on a statewide basis. Although the seven states may not be the only ones that have enacted new laws concerned with industrial growth, they provide a good summary of the types of legislative answers that are available for dealing with the issue.

Washington

The state that has made the most comprehensive direct attempt to deal specifically with the complexities of the permit process is the State of Washington. As with many environmentally conscious states, Washington's land use system is one requiring multiple permits.

In an attempt to relieve some of the problems that arise when numerous permits from different agencies are required, the Washington Legislature enacted the Environmental Coordination Procedures Act of 1973 (E.C.P.A.).

Some of E.C.P.A.'s important features include a consolidated permit application, consolidated hearing, consolidated administrative review and consolidated judicial review. However, perhaps the most significant aspect of the law is that its provisions are optional at the discretion of the developer of a proposed project.

The best way to understand E.C.P.A.'s provisions is to explain on a step-by-step basis how the law works.

The first step in proceeding under E.C.P.A. is to secure approval from the local government having jurisdiction over a project. While E.C.P.A. does not include local government in its consolidated proceedings it affects the local government's actions in several ways. First, E.C.P.A. requires local governmental units to consider projects "expeditiously." Second, once a developer has made the decision to proceed under E.C.P.A. rather than secure permits separately, local government is not required to prepare an Environmental Impact Statement (under Washington's State Environmental Policy Act)[1] prior to certifying a project. Finally, E.C.P.A. prohibits local government from making any zoning changes affecting a project until the E.C.P.A. proceedings are concluded.

Once local government approval for a project has been obtained, a master application form is filed with the appropriate regional office of the States Department of Ecology.[2] The Department of Ecology (D.O.E.) is responsible for notifying all State agencies which might possibly be interested in the proposed project.

Any agencies having an interest must notify the Department of Ecology within a prescribed period of time and must indicate whether they desire a hearing. Agencies failing to notify D.O.E. within the required time are precluded from participating further in the E.C.P.A. proceedings and from subsequently requiring a permit.

Once the appropriate agencies have expressed their interest, D.O.E. sends the applicant copies of all agency applications for permits, which the applicant completes and returns within prescribed time limits. Upon receipt of the completed applications D.O.E. publishes a notice of a public hearing.

The public hearing is considered informational rather than adversarial. Representatives of those agencies having an interest in the project are required to attend.

After the public hearing each agency makes a final decision on the permit under its jurisdiction within a prescribed time period. The decisions along with reasons supporting them are submitted to D.O.E. in writing. Prior to making a decision, an Environmental Impact Statement must be prepared by the appropriate agency as determined by the State Environmental Policy Act.

Once it receives all of the individual agency decisions, D.O.E. incorporates them, without notification, into a single document which is sent to the applicant. E.C.P.A. further provides for administrative appeals. An aggrieved person has 30 days in which to file such an appeal. Appeals are heard by a pollution control hearing board unless the project

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[1]Washington's State Environmental Policy Act (S.E.P.A.) is substantially similar to California's Environmental Quality Act (CEQA).

[2]Department of Ecology is substantially similar to California Resource Agency.

is within the State's Coastal Zone in which case the Shoreline Management Board hears the case. The hearing is limited to a review of the record. Under such review, decisions of the permitting agencies will only be changed if they are "not supported by substantial evidence" or if they are "arbitrary or capricious." No new evidence is accepted nor testimony heard. Decisions of the hearing boards are subject to judicial review.

As this summary indicates, E.C.P.A. could substantially affect the processing of permit applications within its jurisdiction. It has not taken away any substantial decision-making authority from existing agencies. However, very few developers have elected to utilize these coordinated problems. Despite its efforts at streamlining the permit process, E.C.P.A. suffers from several serious shortcomings.

The most objectionable problem heard by E.C.P.A.'s critics is that it is optional. Numerous project developers have elected to secure permits individually rather than use E.C.P.A.'s consolidated proceedings. They claim the coordinated procedure takes longer than individual application to each agency. Critics feel that E.C.P.A. should be required, at least for developments of major significance.

A second significant criticism of E.C.P.A. is that it bypasses the Environmental Impact Statement requirement at the local level and does not include local government in the consolidated proceedings.

A third problem with E.C.P.A. is that it fails to adequately coordinate its provisions with the State's Environmental Policy Act. This problem has been subject to judicial scrutiny whereby a Washington court declared certain parts of the two laws inconsistent.

A fourth criticism raised is that E.C.P.A. only applies to private developers and not State sponsored projects.

In addition to these five structural problems E.C.P.A. has suffered from numerous problems in administration.

Although E.C.P.A. is designed to encourage cooperation and coordination among agencies, such goals can only be accomplished when agencies are willing to cooperate and coordinate. E.C.P.A. cannot force cooperation. This lack of cooperation is particularly evident in the failure of agencies to meet required deadlines. Footdragging by permitting agencies as well as lack of authority to enforce time limits by D.O.E. has actually slowed down the permit process in many cases.

Further, many State agencies which had developed good informal working relationships prior to E.C.P.A. were resentful of E.C.P.A.'s formal coordination requirements. Consequently a previous attitude of give-and-take bargaining between agencies has been dissuaded.

Notwithstanding its shortcomings, E.C.P.A. represents a significant stride toward alleviating Washington's complex Environmental Permit System.

Oregon

Another State that has made an attempt to solve the specific problem of permit coordination is Oregon. SB 903, enacted in 1975, adopts some of the provisions of Washington's Environmental Coordination Procedures Act but is less comprehensive in its scope. The law, which is administered by the Intergovernmental Relations Division (I.R.D.) of the State's Executive Department applies only to coordination among State agencies. Like E.C.P.A., the Oregon law is optional with developers.

Under the Oregon system printed information explaining the permit requirements of State agencies are available upon request through local governmental offices. In addition the Division maintains a toll-free telephone number for applicants seeking information.

As with Washington's law an applicant may file a master application form with the Intergovernmental Relations Division requesting the individual State agency application forms. I.R.D. notifies the agencies with potential interest in the project. Each agency has 30 days to respond to I.R.D. indicating whether they have an interest, what permits are required and a statement indicating the program under which the permits are administered. I.R.D. then forwards the appropriate application forms to the applicant for completion.

A consolidated public hearing may be held if requested by either the applicant or any of the interested State agencies. After the hearing, each agency makes its own decision on their respective permits. The law does not establish time limits for final agency action.

Unlike E.C.P.A., Oregon's permit law does not introduce the concept of a centralized appeal to an environmental hearing board. Individual agency decisions are of course subject to judicial review.

Although the Oregon law is subject to many of the same criticisms as E.C.P.A., it represents a clear mandate that the State is at least interested in and concerned with efforts to "streamline" its permit process.

Maryland

A third state that has attempted to "streamline" its permit process is Maryland. Maryland is unique, however, in that its efforts have been at the administrative rather than the legislative level. In 1975 the State's Board of Public Works promulgated the Development and Construction Permit Procedure. Under this procedure a permit coordinator, appointed by the Board of Public Works, is responsible for the coordination of permit applications and providing information to potential applicants. The coordinator has developed a master permit application form for State agencies.

Like the Washington and Oregon laws, under the Maryland procedure the permit coordinator receives the master application and notifies the appropriate State agencies. However, unlike the laws in the other two States the local governments are also involved in the consolidated process. State and local agencies are given time limits in which to indicate interest and request hearings. The decision to hold a joint hearing lies with the local government agency. After the hearing is held agencies must make their decisions within a prescribed time or else their respective permits are automatically approved. Under the Maryland procedure there is no provision for a consolidated appeal.

To the extent that Maryland has provided for coordination, its procedures differ slightly from those of Washington and Oregon. However, the two major distinctions are worthy of further comment. First, by including local government in the consolidated proceedings Maryland has made an important step towards total cooperation among permitting agencies, something which neither of the other states have attempted.

Second, Maryland's procedure, originating at the administrative level, indicates that efforts to "streamline" can occur, to some degree, without legislation.

Wyoming

Wyoming had approached the issue of permits for industrial development in an entirely different manner from the States discussed above. In 1975 Wyoming enacted the Industrial Development and Siting Act. Under that law the decision to approve and locate major industrial development lies with an Industrial Siting Council, a seven person agency appointed by the Governor. The Council has jurisdiction over all proposed industrial facilities with an estimated construction cost in excess of $50,000,000 (as well as all energy facilities).

Applicants for industrial projects within the council's jurisdiction must secure State and local permits on an individual basis prior to applying for council approval. The council has final decision-making authority over approval for the proposed project. However, in making its decision the law provides that the council may not approve a project if State or Federal emission standards are violated (air and water), if the location conflicts with State or local plans, or if the project will substantially impair health. The council does not have authority to reverse an adverse decision of the State Air Quality or Water Quality Control Board. In addition, in making its decision on a project the law provides that the council must consider the following criteria:

a. The nature of the environmental impact;

b. Design and location;

c. Compatibility with other State laws;

d. The project must have an acceptable impact on the environment.

The council is required to issue a final written opinion including detailed reasons for its conclusions. The decision is subject to judicial review. Wyoming's industrial siting law has several unique aspects. Conditioning the industrial siting council's decision-making authority on the prior approval of State Air and Water Quality Control Boards clearly indicates that statewide industrial siting can exist without compromising on the authority and jurisdiction of key Federally mandated functions. This permits the council to defer to the expertise of the other agencies in areas where specialized monitoring is necessary, thereby devoting its time primarily to the basic land use decision. In this regard, it is important to emphasize that the council is a substantive decision-making body with final authority over a project. It is not limited to an appellate role. Another significant feature of the law is it requires that a project have an acceptable impact on the environment. This is generally not required in decision-making in California.

The major shortcoming with the Wyoming law is its limited jurisdiction. Jurisdiction is based solely on capital expenditure which is not always the important determinant of the environmental impact of an industrial development. Further, the money limit of $50,000,000 might exclude certain non-capital intensive industries which nevertheless have significant environmental impacts.

Maine

The other state that has considered industrial siting on a statewide basis is Maine. The Maine site location law requires large commercial and industrial developers to obtain permits from the State Environmental Improvement Commission. The Commission controls the location of all projects that may significantly affect the environment.

The Commission's formal jurisdiction includes all industrial developments which either require one permit for pollution control, occupy more than 60,000 square feet of space or 20 acres.

While the Commission has prepared a master application form it is the applicant's responsibility to submit the form to the appropriate State agencies. The Commission does, however, let the applicant know which permits are obtained from the other agencies, the Commission makes its decision on the proposed development. By law its decision must consider four criteria: financial capacity of the project to meet pollution standards, traffic flow, adverse environmental effects and soil condition. Aside from yes-no decisions on projects the Commission has broad authority to issue conditional approval.

The Maine Site Location Law has been highly touted within the State as a viable attempt to deal with the problems of industrial growth. Major shortcomings in administering the law include inadequate staff and funds and therefore an inability to follow up and enforce conditional approvals.

Florida

Florida, a state with a unique and fragile natural environment, has attempted to deal with its growth and development problems by focussing in on particular areas and particular types of developments. The Florida Environmental Land and Water Management Act of 1972 established a 4-tier land use control system consisting of local government, regional councils, a State planning office and the Florida Cabinet.

Under the Florida System the State Planning Office designates certain areas of the State as "areas of critical State concern." These include: areas of significant environmental, historical, natural or archaeological features and areas likely to be affected on proposed major facilities. The law limits areas of critical State concern to a total of 5% of the State's land. Development in these areas is restricted in accordance with State plans.

Under the law "Developments of Regional Impact" are subject to special administrative treatment. Applicants for such developments must submit applications to local government for a development and copies of the applications are forwarded to the appropriate regional council. Although the regional councils share an advisory role only, they review development applications for consistency with State and their own plans. In addition, the regional councils are required to consider environmental, economic, housing, public facilities and other regionwide factors. However, if local government adopts a position inconsistent with recommendations of the regional council, the council can appeal the local action to the Florida Cabinet.

"Developments of Regional Impact" include:

1) Airports;

2) Sport arenas;

3) Power plants;

4) High voltage electric transmission wires;

5) Hospitals serving more than one county;

6) Manufacturing plants or industrial parks with parking for at least 1500 cars;

7) Mines over 100 acres;

8) Ports and oil tank storage;

9) Post-Secondary schools with 3000 students;

10) Housing developments with at least 250 units in rural areas or 3000 units in urban areas.

In addition to appeals by the regional council, local action on a proposed "Development of Regional Impact" can be appealed to the Cabinet by the State Planning agency and the developer. Under the Florida Law private citizens do not have the right to appeal a decision of the local government.

The Florida Cabinet is an administrative environmental appeal board comprised of the heads of several State agencies. The Cabinet is appointed by the Governor. Its decisions are subject to judicial review.

Under the Florida system the local government remains the focal point for approving "Developments of Regional Impact." However, the participation of the State Planning Office and the regional councils as well as their ability to intervene in the approval process provides a unique multi-level land use control system.

Vermont

Vermont, being a small state, has chosen to deal with proposed major developments on a statewide basis. Under Vermont law, certain types of developments are subject to approval by the Agency of Environmental Conservation. These include:

1) Industrial developments of 10 or more acres;

2) Housing projects of 10 or more units;

3) Any development, regardless of the number or acreage or units if it is to be built on a site above 2500 feet in elevation;

4) Public agency projects.

In implementing its law, Vermont has created a coordinated appeal process. Each of five regional offices of the State agency employs a permit coordinator to assist applications. The coordinator informs the applicant of the necessary permits, but the applicant is responsible for actually submitting the applications to the appropriate agencies. The Vermont law requires consolidated consideration of major land use problems (sewage disposal, water supply, air pollution, building regulations). In practice, most of the permits granted under the consolidated procedures are approved at the regional office level.

The Vermont law has been instrumental in speeding up the permit approval process. In some cases permits have been approved within 10 days with the average time being approximately 30 days. Although the regional commissions render decisions, the possibility of appeal to the State Commission exists (similar to the California Coastal Commission process).

Summary

While this analysis of environmental land use systems is by no means exhaustive, it provides a general framework for further study of proposals to revise California's permit process. Some of the unique features present in the laws of other states might very well provide answers to the permit issue as it exists in California.

SITE EVALUATION SYSTEM

The Industrial Site File was used in the Pilot Project for the purpose of conducting a "dry run" in evaluating how each site in the file helps achieve the objectives or concerns of an industrial location plan. The evaluation was made by assigning numerical weights or values to the approximately 25 site characteristic categories. Weighting was designed to reflect the objective and concerns adopted by the Task Force. For example, larger sites help meet "the needs of industry" concern; high site accessibility by employees using transit helps meet the "job-home proximity and use of transit for commute" concern; sites that are consistent with the BCDC Bay Plan help meet the "wise use of physical resources" concern. A mathematical formula was then devised to add or subtract points for each site according to its various individual characteristics, and the sites with the highest number of points were those that best correspond to the plan concerns.

A weighting system can also be designed for ranking the importance of one objective over another. For example, the weighting system might assign sites located in or near areas of high chronic unemployment greater values than those located in environmentally well-suited areas. In this way the decision-making body adopting a plan can evaluate the affects of placing greater importance of one concern over another. This exercise was not undertaken during the Pilot Project.

The accompanying pages provide the point system used for evaluating the sites in the Industrial Siting Pilot Project. The points were selected solely for demonstrating how such an evaluation system could operate. The points themselves were not discussed in detail by the Task Force. Discussion on the evaluation system would be a key to an industrial location plan because it would focus on the relative importance of different community values. The numerical system would then be a method of translating these community concerns into policy on the region's industrial sites. This system compares sites but has no inherent judgment of "good" or "bad" sites or "acceptable" or "unacceptable" sites. A further refinement would be a determination that only sites which had a, b and c characteristics were acceptable; or, a determination that a certain number of sites should become priority sites for incentives because they were the best combination; or a determination that the region needed X number of sites, of which so many had to be of a certain size, so many next to water, so many in an attainment area, so many in urban core areas, and so on.

It is recognized that this is the first step in a process of preparing a plan that seeks to identify different sites as a means of addressing specific problems. After sites are reviewed in this analytic manner, they must be reexamined by staff and policy-makers. After this more thorough assessment and an opportunity for public review and comment, policy-makers can make final decisions about each site and its role in a regional plan.

1) AIR QUALITY

Objective: Industry should be channeled to sites where they can contribute to, rather than violate, the achievement of air quality standards.

Weighting Values:

Air Quality

If in an attainment area for all three pollutants +200 points

If in an attainment area for two pollutants +150 "

If in an attainment area for one pollutant +100 "

Environmental Safety +25 "
Site with low overall weighted rating (lower particulate matter likely)

Redevelopment Site

Yes it is within a redevelopment site
+10 points

Rail

If the site has a rail spur give it +10 points

Accessibility to Labor Force

	Transit	Car
10	+200 pts.	+100 pts.
9	+180 "	+ 90 "
8	+160 "	+ 80 "
7	+140 "	+ 70 "
6	+120 "	+ 60 "
5	+100 "	+ 50 "
4	+ 80 "	+ 40 "
3	+ 60 "	+ 30 "
2	+ 40 "	+ 20 "
1	+ 20 "	+ 10 "
0	+ 0 "	+ 0 "

ISTF
October 13, 1977
Revised December 1, 1977

2) FISCAL BALANCE *

Objective: Industry should be channeled to sites located in cities or counties with lower fiscal capacity and which have already made expenditures to support industrial growth.

Weighted Values:

Assessed Value	
Cities & counties in the lower ¼ of region	+200 points
Cities & counties in the lower ¼-½ of region	+100 "
Sales Tax	
Cities in lower ¼ of region	+ 50 "
Cities in lower ¼-½ of region	+ 25 "
Counties in lower ¼ of region	+ 10 "
Counties in lower ¼-½ of region	+ 5 "
Size of City	
Cities over 50,000	+ 50 "
Size of Counties	
Counties with more than 100,000 in unincorp. areas	+ 40 "

* The Fiscal Balance Objective was dropped from further consideration by the Task Force at the December 2, 1977 meeting.

3) UNEMPLOYMENT

Objective: Industry should be channeled to areas with the highest unemployment.

Weighted Values:

Redevelopment

If in a redevelopment area + 20 pts.

Social Profile

Black	+100	"
Asian	+100	"
Hispanic	+100	"
Women in Labor Force	+100	"

Unemployment

Cities with highest unemployment

12% unemployment	+200	pts.
10-11 "	+150	"
8-9 "	+100	"

Accessibility to Labor Force

	Transit	Car
10	+ 50 pts.	+ 30 pts.
9	+ 45 "	+ 27 "
8	+ 40 "	+ 24 "
7	+ 35 "	+ 21 "
6	+ 30 "	+ 18 "
5	+ 25 "	+ 15 "
4	+ 20 "	+ 12 "
3	+ 15 "	+ 9 "
2	+ 10 "	+ 6 "
1	+ 5 "	+ 3 "
0	+ 0 "	+ 0 "

Environmental Safety

Weighted Overall Rating
Highest Costs means more jobs +50

4) MARKET DESIRES

Objectives: Industry should be channeled to those sites having the key characteristics that it deserves.

Weighted Values:

Size

901+ acres	+ 50 pts.
900-801	+ 45 "
800-701	+ 40 "
700-601	+ 35 "
600-501	+ 30 "
500-401	+ 25 "
400-301	+ 20 "
300-201	+ 15 "
200-101	+ 10 "
100 & less	+ 5 "

Sewers

Sewer lines on site	+ 25 "
Sewer Capacity exceeds supply	+ 50 "

Water

Water on site	+ 25 "
Sufficient reserve	+ 50 "

ABAG Category

A-Zoned Industry	+ 50 "

Natural Gas

Natural gas on site	+ 25 "

Railroad

Spur on site	+ 25 "
Within 10 miles of loading pt.	+ 10 "

Airport

Within 10 miles of airport	+ 10 "

Seaport

Within 10 miles of seaport	+ 10 pts.
Within 1 mile of potential port Freeway Interchange	+ 30 "
1 mile	+ 25 "
2 miles	+ 20 "
3 miles	+ 15 "
4 miles	+ 10 "
5 miles	+ 5 "

Accessibility to Labor Force

Transit			Cars	
10	+30	pts.	+30	pts.
9	+27	"	+27	"
8	+24	"	+24	"
7	+21	"	+21	"
6	+18	"	+18	"
5	+15	"	+15	"
4	+12	"	+12	"
3	+ 9	"	+ 9	"
2	+ 6	"	+ 6	"
1	+ 3	"	+ 3	"
0	+ 0	"	+ 0	"

Environmental Safety

Lowest Weighted rating (least cost)	+ 50 "

5) ENVIRONMENT

Objective: Industry should be channeled to those sites with no environmental problems. (This does not include air quality problems because they were included in the first objective.)

Weighted Values:

Redevelopment

If in a redevelopment area	+ 25 pts.

Sewers

If demand does not exceed capacity	+ 25 pts.

Water

If reserves are a problem	- 25 "

Water Quality

Water quality limited segment	- 25 pts.
Effluent limited	- 10 "

Environmental Safety

Faulting	- 50 "
Flooding	- 50 "
High Weighted overall rating	-100 "

Prime Agriculture

If on prime agriculture land	- 50 "

Fish/Wildlife

If there are rare and endangered species on the site	- 50 "

Accessibility to Labor Force

Transit	Cars
10 + 20 pts.	+ 10 pts.
9 + 18 "	+ 9 "
8 + 16 "	+ 8 "
7 + 14 "	+ 7 "
6 + 12 "	+ 6 "
5 + 10 "	+ 5 "
4 + 8 "	+ 4 "
3 + 6 "	+ 3 "
2 + 4 "	+ 2 "
1 + 2 "	+ 1 "

BCDC

Water-related	+ 25 "
Port	+ 25 "
Airport	+ 25 "
Waterfront park	- 50 "
Wildlife	- 50 "
Tidal marsh	- 50 "
Salt pond, managed wetland	- 50 "

6) AVAILABLE PUBLIC SERVICES

Objective: Industry should be channeled to sites located where public services are currently available.

Weighted Values:

Redevelopment Site

If in a redevelopment area + 50 pts.

Wastewater Treatment

Within sewer district where existing capacity exceed demand +100 pts.

Within sewer district where future capacity will exceed demand + 75 pts.

Sewer line to site + 50 pts.

Water

Within county with no water reserve problem +100 pts.

Water line to site + 50 pts.

Accessibility to Labor Force

	Transit	Car
10	+ 100 pts.	+ 50 pts.
9	+ 90 pts.	+ 45 pts.
8	+ 80 pts.	+ 40 pts.
7	+ 70 pts.	+ 35 pts.
6	+ 60 pts.	+ 30 pts.
5	+ 50 pts.	+ 25 pts.
4	+ 40 pts.	+ 20 pts.
3	+ 30 pts.	+ 15 pts.
2	+ 20 pts.	+ 10 pts.
1	+ 10 pts.	+ 5 pts.

Freeways

Within 1 mile of a freeway +100 pts.
Within 2 miles of a freeway + 50 pts.

APPENDIX E

TO: Dean Misczynski, OPR

FM: Charles Forester
John Mackie

DT: January 30, 1978

RE: Analysis of OPR Industrial Siting Legislation

As the recommendations of the Task Force begin to emerge, it would seem useful to compare them to your last draft of legislation. This is understood to be the June, 1977 Revision Draft. Basically the differences are over emphasis and what should or should not be mandatory. Many of the initial objections to the legislation have been corrected and the similarities of the systems are more marked. This memorandum will concentrate on approach and philosphy. A more detailed critique would be appropriate if this legislation were actually submitted for consideration to the Legislature.

In summary the differences are:

- What is considered to be a regionally significant facility,
- The absence in the bill of a means to address the more general issues of industrial growth and location,
- Rights and responsibilities of regional regulatory agencies in the planning process,
- The mandatory nature of the plan,
- The State Certification procedure,
- The greater potential in the bill for additional administrative "hoops",
- The consequence of development proposals inconsistent with the plan.

The OPR legislation differs from Task Force recommendations in its definition of an industrial facility of regional significance in two ways. The legislation says it is a facility that meets any one of the criteria for size (1,000 employees +), assessed value ($5,000,000 +), two permits, industrial park which would total one of the above or a site of 100 or

more acres. The Task Force has recommended a cumulative threshold of size, assessed value and permits. Second, then, is that the Task Force has decided not to recommend industrial parks and large sites as in themselves sufficient to be considered a regionally significant facility.

The Task Force has decided to integrate any solution to the problems of large, "dirty" industrial facilities with a broader statement on regional industrial development. Issues such as commute patterns, unemployment, fiscal stability, urban sprawl and wise use of physical resources are affected by a wide range of activities. Large employment centers of all types share certain similarities of impact. The OPR legislation recites many of these issues in its purpose section but does not later suggest a comprehensive approach nor relating industrial siting to other planning areas.

The Task Force recommendations involve the regulatory agencies concerned with industrial development much more explicitly in planning and implementation than does the OPR legislation. This has been done both as a recognition of the important continuing role of the agencies and as an attempt to avoid additional administrative layers. The planning process proposed by the Task Force would include the agencies as voting members of a new task force. The plan would be carefully negotiated with them to reflect their policies or make explicit their conditions and restrictions or persuade them to endorse the plan and use it in their own decision-making to the extent possible.

The OPR legislation would mandate an industrial siting plan for metropolitan COGs. The Task Force is proposing a process which is somewhat more permissive and does not include State certification. If a region does not find such a plan in its collective interest, it will simply choose to ignore the plan or complicate the process. Basically the offer of the State should be that if a region chooses to adopt the industrial siting plan and that plan is consistent with broad State objectives, the State should assist the region by influencing the State regulatory agencies to integrate their procedures with the plan and by directing State expenditures. It is very much the same principal which should guide the manner in which a plan influences industry. The process must be one in which local, regional, or State agencies, as well as industries, will want to participate. It may be necessary, however, for a region to have an industrial siting plan in order to undertake an offset program and be consistent with the Clean Air Act Amendments of 1977.

The Task Force recommendations have attempted to get as many decisions and site development guidelines as possible by the regulatory agencies before a proposal is submitted. After a plan is adopted most administrative and review responsibility rests on the permitting agencies. Thus, unlike the OPR legislation, there is no provision for certifying consistency for each proposal. The Task Force was reluctant to propose any additional hurdles for an industrial facility.

The OPR legislation continues to put more emphasis on negative powers rather than positive. For example, if a proposal is consistent with the plan, agencies should "give high priority" to approval but if a proposal is not consistent, they must disapprove. In addition, unacceptable sites are to be identified and proscribed from development by any facility of regional significance. The Task Force has put more emphais on creating incentives and encouraging industry to locate in the Bay Area as well as on the most advantageous site. In a situation in which industry makes ultimate decisions and in which there are already many potential governmental vetoes, adding more may not be wise.

There are many similarities between the legislation and the industrial siting process recommended by the Task Force. They both recognize the need for an integrated solution to the problem; they both recognize existing regulatory process problems; they both would seek to set priorities for development of industrial sites and try to attach implementation mechanisms to those priorities. Basically they are both intended to support the regional siting objectives adopted by the Task Force.

AUTHOR'S COPY

LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, Knox.

Committee: (_____).

General Subject: Land use planning: industrial site plan.

Existing law does not contain comprehensive provisions for the siting of industrial developments.

This bill would enact the Industrial Siting Assistance Act, to among other things, encourage quality job opportunities, provide potential developers with a clear understanding of which sites are appropriate for industrial development and of the environmental and other standards that must be met, predevelopment resolution of land use conflicts of different levels of government, and the attainment of state and federal environmental standards.

The bill would establish The California Industrial Site Plan Review Council, and require regional

and industrial site planning through the use of an industrial site planning task force appointed by the executive committee of each metropolitan council of government, who would follow specified procedures, and prepare specified industrial site plans for their area. Procedures would be established for the adoption and review of such plans and each plan would be submitted to the Industrial Site Plan Review Council by January 1, 1980.

After adoption of an industrial site plan no public agency would be authorized to permit an industrial facility of regional significance within a planning jurisdiction subject to a plan if the facility is not in conformance with such a plan.

The bill would appropriate an unspecified amount to reimburse local agencies for costs incurred pursuant to this bill.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

AUTHOR'S COPY

An act to add Title 10 (commencing with Section 95000) to the Government Code and to amend Section 21061 of, and to add Section 21100.2 to, the Public Resources Code, relating to land use planning, and making an appropriation therefor.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Title 10 (commencing with Section 95000) is added to the Government Code, to read:

TITLE 10. INDUSTRIAL SITING ASSISTANCE ACT

CHAPTER 1. GENERAL

95000. This title shall be known and may be cited as the "Industrial Siting Assistance Act of 1977."

95001. The Legislature hereby finds and declares that:

(a) California has a compelling interest in encouraging the creation of quality jobs for its citizens. Since California's population and labor force are rapidly increasing, new employment-generating economic development is needed. Employment opportunities for California's young, minority, and unskilled unemployed people are

particularly necessary.

(b) Governments in California, at all levels, should provide developers and builders with a clear understanding of which sites are appropriate for industrial development, and of the environmental and other standards that must be met.

(c) Governments in California, at all levels, should encourage resolution of land use conflicts before specific development proposals are made, and through a mechanism that encourages the many regulatory interests to resolve their differences in advance.

(d) California is fully committed to meeting state and federal environmental standards in a timely manner. This commitment is not meant to preclude continued scrutiny and evaluation of existing standards.

(e) Since California's ability to absorb additional environmental pressure is limited, governments in California should facilitate the development of new industry which causes the greatest economic benefit for the least environmental pressure.

(f) The state has an interest in improving the economic and social vitality of California's existing urban areas. To that end, industrial enterprise should be encouraged to remain in or to move into those areas.

(g) California is committed to promoting the

conservation, preservation, and continued availability of open space lands for uses such as recreation, enjoyment of scenic beauty, use or conservation of natural resources, or production of food or fiber.

CHAPTER 2. DEFINITIONS

95005. "Council" means the California Industrial Site Plan Review Council.

95006. "Executive committee" means the governing board or executive committee of any metropolitan council of governments.

95007. "Industrial facility" means one or more structures, including related pipelines or transmission lines, which are used in mining, manufacturing, transportation, or wholesale trade as defined as those industries included within Divisions B, D, E, and F, respectively, in the 1972 edition of the Standard Industrial Code Manual, published by the Office of Management and Budget. An industrial facility does not include any facility constructed or carried out entirely by a public agency.

95008. "Industrial facility of regional significance" means any industrial facility which meets,

or when constructed would meet, at least one of the following criteria;

(a) Employs or would employ on a full-time basis, in any calendar year, an average of 1,000 persons.

(b) Has or would have a taxable assessed value of five million dollars ($5,000,000).

(c) Requires or would require permits from two or more of the following state agencies; an air pollution control board, a regional water quality control board, a regional coastal commission or the state coastal commission, or the San Francisco Bay Conservation and Development Commission.

(d) The facility is an industrial park which, when fully developed, and when all expected plant and equipment have been installed, is reasonably likely to meet any of criteria (a) through (c) above; or

(e) The facility is an area of 100 acres or more which is likely to be developed predominantly with industrial facilities, and where it is reasonably likely that, when all plant and equipment have been installed, any of criteria (a) through (c) will be met. Designation for industrial use by local government zoning or general

plans shall be important evidence that industrial use is likely.

95008.5. "Lead agency" means the public agency which has the principal responsibility for carrying out or approving a project.

95009. "Local agency" means any public agency other than a state or federal agency, board, or commission. For purposes of this title, a redevelopment agency and a local agency formation commission are local agencies and neither is a state agency, board, or commission.

95010. "Metropolitan Council of Government" means an organization created pursuant to a joint exercise of powers agreement, or pursuant to Sections 65600 through 65604 of this code, to undertake planning for a metropolitan area which contains at least one Standard Metropolitan Statistical Area, and whose membership is composed solely of elected officials of units of general local government within the planning jurisdiction or their representatives and which is recognized as an areawide planning organization by the Department of Housing and Urban Development.

95011. "Permit" means a lease, permit, license, certificate or other entitlement for development on land,

in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410)
and any other division of land except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto; or construction, reconstruction, demolition, or alteration of the size of any structure.

As used in this section, "structure" includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line.

95012. "Plan" means an industrial site plan prepared pursuant to Article 3 (commencing with Section 95030) of Chapter 3.

95013. "Planning jurisdiction" means a metropolitan area which consists of at least one Standard Metropolitan Statistical Area for which a metropolitan

council of governments has been recognized as an areawide planning organization by the Department of Housing and Urban Development.

95014. "Public agency" means any state agency, board, or commission, any county, city or county, city, regional agency, public district, redevelopment agency, or other political subdivision of the State of California.

95015. "Public capital facilities" means works, facilities, and appurtenances constructed or owned by a public agency to (a) deliver water supplies; (b) collect, transport, treat, dispose of, or reclaim sewage; (c) collect, store, transport, or dispose of storm waters; (d) facilitate transportation by means of streets, highways, or public mass transit; or (e) generate or transfer electricity.

95016. "Public services" means services provided by public agencies to (a) protect lives and property including law enforcement, fire protection, health care, and social services; (b) promote cultural activities, including libraries, parks, and recreation services; or (c) operate general governmental programs including fiscal administration, land use management, and related programs.

95017. "Responsible agency" means a public

agency, other than the lead agency, which has responsibility for carrying out or approving a project.

95018. "State agency" means any agency, board, or commission of state government. For all purposes of this title, the term "state agency" shall include an air pollution control district, and shall not include a Local Agency Formation Commission.

95019. "Task force" means an industrial site planning task force appointed pursuant to Article 1, Chapter 3 (commencing with Section 95020).

CHAPTER 3. REGIONAL INDUSTRIAL SITE PLANNING

Article 1. Industrial Site Planning Task Force

95020. The executive committee of each metropolitan council of government shall, by majority vote, appoint an industrial site planning task force by May 1, 1978.

95021. Such task force shall include:

(a) Three members with background or expertise in private industrial or commercial enterprise.

(b) Three members with background in organized labor.

(c) Three members with background or experience

in the field of environmental protection or the study of ecosystems.

(d) Five members who are locally elected officials of public agencies within the planning jurisdiction.

(e) Five members from the public at large.

95022. The task force shall also include as nonvoting members a representative of each of the following organizations, and shall receive full cooperation and reasonable staff support from each such organization:

(a) A representative of each air pollution control district within the planning jurisdiction.

(b) A representative of each regional water quality control board within the planning jurisdiction.

(c) A representative of any regional coastal commission operating in the planning jurisdiction.

(d) A representative of the task force or other body preparing the Areawide Waste Treatment Management Plan (208) for the region, as authorized by the Federal Water Pollution Act Amendments of 1972 (Public Law 92-500).

(e) A representative of the task force or other body preparing the Air Quality Maintenance Plan (AQMP) for

the region, as authorized by the Federal Clean Air Act Amendments of 1970 (Public Law 91-604).

95022.5. A representative of the San Francisco Bay Conservation and Development Commission shall be included as a nonvoting member of any task force appointed by the executive committee of a council of government within the planning jurisdiction of that commission.

95023. All voting members of a task force shall serve at the pleasure of the executive committee and shall serve without compensation, except that they may be reimbursed for necessary and actual expenses incurred in connection with their duties.

95023.5. The executive committee shall appoint a chairperson and a vice chairperson from among the voting members of the task force.

Article 2. Meetings and Procedures

95024. Each task force shall hold its first meeting no later than June 1, 1978. All task force meetings shall be held at places convenient to the public and shall be open to the public.

95025. A majority of the membership appointed

pursuant to Section 95021 shall be necessary to approve any action required or permitted under this chapter.

95027. Staff to any task force shall be provided by the council of governments it serves except that any task force may form any advisory body or subcommittee of its members to assist the task force in the performance of its duties under this chapter. Members of any such advisory body or subcommittee shall serve without compensation.

95028. Each task force may request the assistance of any local, state, or federal agency in the performance of its duties under this chapter. Every task force shall fully coordinate its activities with those of the Areawide Waste Treatment Management Planning Assistance Program (208) authorized by the Federal Water Pollution Act Amendments of 1972 (PL 92-500) and the Air Quality Maintenance Planning Program (AQMP) authorized by the Federal Clean Air Act Amendments of 1970 (Public Law 91-604).

95029. The executive committee shall oversee the work of its task force and shall be responsible for

assuring that the task force completes its work in a timely manner sufficient to enable the executive committee to fulfill its duties under this title.

Article 3. Industrial Site Plan

95030. Each task force shall prepare and submit to the council of governments it serves a plan for industrial development of regional significance within the council's planning jurisdiction over the next 10 years. The plan shall identify sites suitable for industrial development of regional significance and sites which are not suitable for industrial development of regional significance. Each such plan shall be prepared in compliance with the criteria specified in Section 45042 and shall include, at a minimum, the following elements:

(a) A policy component which identifies those regional policies which affect industrial development.

(b) An industrial site inventory including but not limited to the following:

(1) An inventory of existing industrial development.

(2) An inventory of land presently zoned or designated on general plans for industrial use or which for other reasons is determined to be suitable for industrial development. Such inventory shall specify which public services and public capital facilities needed for industrial development of regional significance are available or where availability is planned within the next 10 years. Such inventory shall further specify any constraints such as seismic safety,

flooding, soil characteristics or environmental problems which might preclude or interfere with industrial development of regional significance at any site designated in the plan.

(c) A map component in sufficient scale to allow the identification of those parcels of land which are suitable for industrial development of regional significance and those parcels which are unsuitable.

(d) A standards component identifying the maximum emissions of significant air pollutants, the maximum discharges of significant water pollutants, and any other environmental standards or requirements that new industrial development of regional significance would be required to meet on suitable sites.

(e) An environmental impact assessment component, which shall evaluate the environmental consequences of development of industrial facilities of regional significance in locations indicated as suitable by the plan as required by the California Environmental Quality Act and shall be in sufficient detail to materially simplify and shorten the environmental impact report that would need to be prepared for a proposed industrial facility of

regional significance.

(f) A conflict component, which shall identify probable conflicts between the industrial site plan and the general and specific plans of local government, and any regional or state plans or policies.

(g) An implementation component identifying methods by which public agencies can promote and facilitate the orderly industrial development of the region pursuant to the plan. The task force shall consider but not be limited to:

(1) Tax base sharing.

(2) Expedited zoning, permit or other project approval procedures.

(3) Other incentives, and enticements which might be used to attract industrial facilities of regional significance.

(4) Land banking.

CHAPTER 4. PROCEDURES FOR REVIEW AND ADOPTION OF AN INDUSTRIAL SITE PLAN

95040. Upon receipt of an industrial site plan from its task force, the executive committee shall prepare and distribute for review and comment copies of such plan

to all public agencies and other interested parties within its planning jurisdiction. The executive committee may charge a reasonable fee for copies of the plan not to exceed the actual cost of duplication.

95041. Within 180 days of receipt of the plan from the task force, the executive committee shall hold at least two public hearings on the plan at locations which would be of greatest convenience to the largest number of people within its planning jurisdiction. The executive committee may schedule as many additional public hearings at such times as it deems necessary to obtain full public comment on the plan except that notice of all hearings under this section shall be published in a newspaper of general circulation within the planning jurisdiction at least five calendar days in advance of such hearings.

95042. The criteria the executive committee shall apply in reviewing an industrial site plan shall be based upon the degree to which the plan and the sites it identifies are reasonably related to the following considerations:

(a) The needs of communities within the planning jurisdiction for increased employment opportunities and greater fiscal and economic stability;

(b) The needs of new industrial developments for transportation facilities, adequate land area, a suitably trained labor force, and sufficient energy resources;

(c) The availability of sufficient and accessible housing at prices affordable by those households most likely to be attracted by new industrial development;

(d) The ability of public agencies to provide public services and public capital facilities needed for new industrial development at the sites identified in the plan;

(e) The ability of public agencies to provide public services and public capital facilities for any additional population which would be likely to result from new industrial development;

(f) The environmental consequences of industrial development consistent with the plan;

(g) The urban growth objectives of the state, region, and localities.

95043. Within 90 days of receipt of the plan from the task force, and after the public hearings specified in Section 95041, the executive committee shall determine, by majority vote, whether to adopt, reject, or amend the industrial site plan submitted by the task

force.

95044. The form for adoption of an industrial site plan shall be a resolution in which the executive committee makes the following findings:

(a) That the plan meets the criteria specified in Section 95042;

(b) That the plan is consistent with the policies and intent of this title.

95045. If the executive committee fails to adopt an industrial site plan it shall amend the plan or return it to the task force for such amendments as the executive committee may direct. Prior to adoption of an amended plan, the executive committee shall hold at least one additional public hearing on the amended plan subject to the requirements for public notice specified in Section 95041.

95046. The form for adoption of an amended plan shall be the same as that specified in Section 95044.

95047. Upon adoption of an industrial site plan, the executive committee shall transmit a copy of the adopted plan together with a copy of its resolution adopting the plan to the California Industrial Site Plan

Review Council.

95048. All industrial site plans required by this title shall be adopted and transmitted to the council no later than January 1, 1980. If the executive committee of any metropolitan council of government fails to adopt and transmit a plan by this date, the Office of Planning and Research shall prepare the industrial site plan for that executive committee's planning jurisdiction and shall submit such plan directly to the council for certification.

CHAPTER 5. STATE CERTIFICATION OF INDUSTRIAL SITE PLANS

Article 1. Creation, Membership, and Procedures of the California Industrial Site Plan Review Council

95050. There is in state government a California Industrial Site Plan Review Council.

95051. The council shall consist of three members:

(a) The Secretary of the Business and Transportation Agency.

(b) The Secretary of the Resources Agency.

(c) The Director of the Office of Planning and Research.

(d) Three members, each of whom is a member of an executive committee of a council of governments. One shall be appointed by the Governor, one by the Speaker of the Assembly, and one by the Senate Rules Committee. Each shall serve at the pleasure of his or her appointor.

The Director of the Office of Planning and Research shall chair the council.

95052. Staff services to the council shall be provided by the Office of Planning and Research. Employees of the other departments and agencies of the state shall, to the maximum possible extent, assist the council in implementing its duties and responsibilities required by this title.

95053. Each member of the council shall have one vote and the affirmative votes of at least two members shall be required for the transaction of any business of the council.

95054. The council may hold hearings and conduct any investigations in any part of the state necessary to carry out its duties and responsibilities as prescribed by this title and for such purposes has the same powers as those conferred upon heads of state departments by Article 2 (commencing with Section 11180) of Chapter 2, Part 1, Division 3, Title 2 of this code.

95055. All hearings or meetings held by the council shall be subject to the provisions of Article 9 (commencing with Section 11120) of Chapter 1, Part 1, Division 2, Title 2 of this code.

95056. The council shall adopt rules for the

conduct of its affairs pursuant to the provisions of Chapter 4.5 (commencing with Section 11371) of Part 1, Division 3, Title 2 of this code.

95057. The council may appoint any advisory or technical groups as may be necessary to assist it in carrying out the duties and responsibilities required by this title.

Article 2. State Certification of Industrial Site Plans

95060. Upon receipt of an industrial site plan and a resolution of its adoption by the executive committee of a metropolitan council of governments, the council shall distribute copies of the plan to all state agencies with jurisdiction by law affecting industrial facilities of regional significance.

95061. Within 180 days of receipt of an industrial site plan from the council, each state agency shall review the plan for consistency with all applicable laws, standards, and regulations subject to that agency's jurisdiction and shall submit a written report of its findings and other appropriate comments to the council. Agencies failing to submit such report within 180 days shall be presumed to have found the plan consistent with their policies.

95062. After state agencies have submitted their reports pursuant to Section 95061, the council shall

hold one or more public hearings to consider certification of the plan. If the council determines to hold more than one hearing on an individual plan, at least one such hearing shall be held within the affected planning jurisdiction.

95063. Within 90 days after the hearing specified in Section 95062, the council shall determine by a majority vote whether to certify the plan or remand it to the executive committee for amendment.

95064. The form for certification of an industrial site plan shall be a resolution in which the council makes the following findings:

(a) That the plan is consistent with the policies and requirements of this title and the state's interest in development and continued economic prosperity;

(b) That the plan is consistent with the policies, standards, and regulations of those state agencies with jurisdiction by law affecting industrial facilities of regional significance.

95065. If the council is unable to make the findings specified in Section 95064, it shall remand the plan for amendment to the executive committee of the

council of governments which submitted the plan. A resolution remanding a plan shall specify the findings required by Section 95064 that the council has determined it cannot make in the case of such plan. Such resolution shall further specify what amendments are needed to qualify the plan for certification.

95066. Upon adoption of a resolution certifying or remanding a plan for amendment, the council shall immediately transmit a copy of such resolution to the executive committee of the council of governments that adopted that plan.

Article 3. Procedures for Amending Remanded Plans

95070. If the council remands an industrial site plan for amendment, the executive committee shall revise the plan in the manner specified by the council in its resolution remanding the plan. The procedure to be followed by the executive committee in so revising its plan shall be the same as that specified in Section 95045 for amendments to the plan.

95071. In preparing amendments to the plan pursuant to a resolution remanding the plan to the executive committee, the executive committee or its task

force may request the assistance of the staff to the council.

95072. The executive committee shall, within 90 days of receipt of the council's resolution, adopt an amended industrial site plan in accordance with the procedures specified in Section 95044. If the executive committee determines that the amendments specified by the council in its resolution remanding the plan foreclose reasonable plan alterations that would bring the plan into conformance with state law and policy, the executive committee may request a hearing before the council to discuss alternative amendments proposed by the executive committee. Such request for hearing shall be made by resolution and the council shall hold the hearing within 21 calendar days of receipt of such a resolution.

95073. If, at the hearing provided for in Section 95072, the council adopts a resolution revising the amendments it specified for the remanded plan, the council shall also specify the date by which the executive committee must adopt an amended industrial site plan in accordance with such resolution. If the council does not adopt such a resolution, the deadline for the executive committee to adopt an amended industrial site plan shall be the same as that specified in Section 95072.

95074. The procedure for certification of an amended industrial site plan adopted in compliance with a resolution remanding the plan to the executive committee shall be the same as that specified in Section 95064.

95075. If the executive committee fails to adopt an amended industrial site plan in accordance with the provisions of Section 95072 or 95073, or if the council determines that it cannot certify the amended plan, the council, by resolution, shall direct the Office of Planning and Research to prepare an amended plan for certification by the council.

CHAPTER 6. CERTIFIED INDUSTRIAL SITE PLANS

Article 1. General Responsibilities

95077. The requirements of this chapter apply only within regions where an industrial site plan has been certified.

95078. All state agencies shall give high priority to approving industrial facilities of regional significance which are consistent with an appropriate certified industrial site plan. Consistency means that the facility would be located on a site indicated as suitable on the plan map, and that it would meet the performance standards and other criteria set out by the plan. Nothing in this title shall be presumed to interfere with the authority of any local agency to deny any project.

95079. No public agency shall issue any permit for an industrial facility of regional significance which is inconsistent with a certified industrial site plan. Inconsistency means that the project would be located on a site indicated as unsuitable on the plan map or that it failed to meet the performance standards and other criteria set out by the plan.

Article 2. Responsibilities of Local and State Agencies

95080. Within 45 days after receipt of a project application, each lead agency shall determine whether the proposed project would be an industrial facility of regional significance. The lead agency shall notify responsible agencies of its finding when it consults with these agencies as required by Section 21080.3 of the Public Resources Code. If the lead agency finds that the project is of regional significance, it shall so notify the relevant council of governments at the same time as responsible agencies are notified. Notification shall include a copy of the project application.

95081. Within 45 days after receipt of a complete or acceptable application, each responsible agency shall determine whether the proposed project would be an industrial facility of regional significance. If the determination is affirmative, and the determination required by Section 95080 was negative, the responsible agency shall notify the relevant council of governments of its determination. Such notification shall include a copy of the project application.

95082. After receiving notice that an application for an industrial facility of regional significance has been accepted from a lead or responsible agency, the executive committee of the relevant council of governments shall determine whether the proposed project is consistent with the industrial site plan. Such determination shall be made before the lead or responsible agencies issue any permit for the project. The executive committee shall report its findings and recommendations under this section to the lead and responsible agencies for the project.

95083. If a lead or responsible agency has determined that a proposed project would be an industrial facility of regional significance, that agency shall determine whether the project is consistent with a certified industrial site plan. If that agency finds that the project is not consistent with the plan, the agency shall not issue any permit for the project. In making such findings significant consideration should be given to the council of governments recommendation.

95084. The provisions of this article shall not apply to the Energy Resources Conservation and Development Commission.

95085. To the extent possible, all state agencies shall use certified industrial site plans as a basis for their decisions regulating the design, location, and priority of capital expenditures, budget allocations

for operations and maintenance, and regulatory programs.

CHAPTER 7. AMENDMENTS TO CERTIFIED INDUSTRIAL SITE PLANS

95100. This chapter provides the exclusive procedure for the amendment of an industrial site plan after it has been certified by the council.

95101. The executive committee of each metropolitan council of governments shall periodically review the certified industrial site plan for its planning jurisdiction and shall solicit comments or recommendations for the revision, updating, and amendment of such plan from public agencies, the business community, and the interested public.

95102. Any amendments proposed by an executive committee to a certified plan shall be presented in a public hearing of the executive committee and shall be in the form of a resolution adopted by majority vote of the executive committee. Such a resolution shall specify:

(a) The need for the proposed amendment;

(b) The changes in the other sections of the plan needed to insure that the amended plan meets the requirements specified in Section 95030;

(c) The text of the proposed amendment.

The executive committee shall transmit a copy of any such resolution upon its adoption to the council for review and certification.

95103. For the purpose of preparing amendments to a certified plan, the executive committee may request the assistance of the staff of the council and any other public agency.

95104. Upon receipt of a resolution proposing amendments to a certified plan as provided in Section 95102, the council shall distribute copies of such resolution to all state agencies with jurisdiction by law affecting industrial facilities of regional significance.

95105. Within 45 days of receipt of such resolution from the council, each state agency shall review the proposed amendment for consistency with all applicable laws, standards, and regulations subject to that agency's jurisdiction and shall submit a written report of its findings and other appropriate comments to the council.

95106. After state agencies have submitted their reports pursuant to Section 95105, the council shall hold a public hearing to consider certification of the proposed amendments.

95107. Within 90 days of receipt of a

resolution proposing amendments to a certified plan pursuant to Section 95102, the council shall determine by majority vote whether to certify or reject the proposed amendment.

95108. The form for certification of a proposed amendment shall be a resolution in which the council makes the following findings:

(a) That the proposed amendment is consistent with the policies and requirements of this title;

(b) That the proposed amendment is consistent with the policies, standards, and regulations of those state agencies with jurisdiction by law affecting industrial facilities of regional significance.

95109. In the event that the council cannot make the findings required in Section 95108 for certification, the council shall adopt a resolution rejecting the proposed amendment which shall specify the reasons for such rejection.

CHAPTER 8. NONMETROPOLITAN COUNCILS OF GOVERNMENT

95110. Nothing in this title shall require a nonmetropolitan council of governments to prepare an industrial site plan.

95111. For purposes of this chapter, a nonmetropolitan council of governments shall mean an organization created pursuant to a joint exercise of powers agreement, or pursuant to Sections 65600 through 65604 of this code, to undertake planning for an area that is not a metropolitan area as defined in this title.

95112. The executive committee of a nonmetropolitan council of governments may, by resolution adopted by a majority vote of its members, determine to prepare an industrial site plan. The executive committee of a nonmetropolitan council of governments shall transmit a copy of such resolution to the council immediately upon its adoption.

95113. The council shall assist any nonmetropolitan council of governments which determines to prepare an industrial site plan under this title.

95114. In no event shall the deadline for submission of industrial site plans specified in Section 95048 apply to any industrial site plan prepared by the executive committee of a nonmetropolitan council of governments. Upon adoption of a resolution pursuant to Section 95112, the council and the executive committee shall agree upon a time schedule for the preparation of an

industrial site plan for the affected planning jurisdiction.

95115. Except as provided in Section 95114, the criteria, procedures, and requirements specified in this title for the preparation, adoption, certification, and amendment of industrial site plans shall apply to any industrial site plan of a nonmetropolitan council of governments which determines to undertake the preparation of such a plan. In the event, however, that the council determines not to certify an industrial site plan adopted by the executive committee of a nonmetropolitan council of government, the council shall not direct the Office of Planning and Research to prepare such plan.

95116. Industrial site plans certified pursuant to this chapter shall have the same force and effect as any other industrial site plan certified pursuant to this title.

SEC. 2. Section 21061 of the Public Resources Code is amended to read:

21061. "Environmental impact report" means a detailed statement setting forth the matters specified in Sections ~~21100 and 21100.1~~ 21100, 21100.1, and 21100.2; provided that information or data which is relevant to such a statement and is a matter of public record or is

generally available to the public need not be repeated in its entirety in such statement, but may be specifically cited as the source for conclusions stated therein; and provided further that such information or data shall be briefly described, that its relationship to the environmental impact report shall be indicated, and that the source thereof shall be reasonably available for inspection at a public place or public building. An environmental impact report also includes any comments which are obtained pursuant to Section 21104 or 21153, or which are required to be obtained pursuant to this division.

An environmental impact report is an informational document which, when its preparation is required by this division, shall be considered by every public agency prior to its approval or disapproval of a project. The purpose of an environmental impact report is to provide public agencies and the public in general with detailed information about the effect which a proposed project is likely to have on the environment; to list ways in which the significant effects of such a project might be minimized; and to indicate alternatives to such a project.

In order to facilitate the use of environmental

impact reports, public agencies shall require that such reports contain an index or table of contents and a summary. Failure to include such index, table of contents, or summary shall not constitute a cause of action pursuant to Section 21167.

SEC. 3. Section 21100.2 is added to the Public Resources Code, to read:

21100.2. The information described in subdivisions (b), (d), (e), (f), and (g) of Section 21100 shall not be required in environmental impact reports prepared in connection with an industrial facility of regional significance as defined in Section 95008 of the Government Code in a planning jurisdiction for which an industrial site plan has been certified pursuant to Title 10 of the Government Code.

SEC. 4. The sum of ____ dollars ($____) is hereby appropriated from the General Fund to the State Controller for allocation and disbursement to local agencies pursuant to Section 2231 of the Revenue and Taxation Code to reimburse such agencies for costs incurred by them pursuant to this act.

APPENDIX F

PRESENTED TO
INDUSTRIAL SITING TASK FORCE
DECEMBER 2, 1977

New Source Review and Offset Policy in the Clean Air Act Amendments of 1977

In response to the Task Force's request, this addendum has been prepared. The purpose of the addendum is to:

1. Describe the "offset" policy and its relationship to New Source Review;

2. Explain the difference between the offset policy, as applied in the Bay Area, and other interpretations permitted under Federal law;

3. Indicate how industrial siting and off-set can be integrated, according to the Clean Air Act Amendments; and

4. Define the requirements for the administration of offset policy in the 1977 Amendments.

Previous memoranda have indicated the variety of problems confronting industries seeking to locate major facilities in the Bay Area. None has proven more difficult than air quality, both for its potential public harm and for the difficulty some industries have had in meeting the standards. Bay Area air quality, the state of control technology and the present administration of the New Source Review Rule combine to make the new siting of many kinds of heavy industries virtually impossible in the Bay Area. Therefore, the implementation of an industrial siting plan such as the proposed Tier One (Specific Facility Siting Component) must be developed consistent with air quality improvement efforts if it is to be successful.

The New Source Review Rule is based on Federal and California laws and requires the review of any proposed major new source of pollutants in areas where the National Ambient Air Quality Standards (NAAQS) are exceeded (as they are in the Bay Area). This is the primary air quality regulatory hurdle for major new industrial facilities. A local pollution control district may promulgate its own regulations to define and administer the legal mandate if a state air resources board and EPA approve the regulations. Local regulation may be as strict or more strict than Federal regulation. The Bay Area Air Pollution Control District has adopted its own New Source Review Rule.

As a part of its New Source Review, the BAAPCD has also adopted an offset policy (and is now in the process of revising it) which defines the circumstances under which proposed new sources would be permitted even

if they would have "significant" emissions of pollutants. Generally stated, the BAAPCD now permits such new facilities only if the company agrees to reduce, by more than the expected pollution, the pollution of the same kind by a nearby source which the company owns.

There has been considerable debate and discussion of the new implications for industrial development of the Clean Air Act Amendments of 1977 and the EPA-promulgated off-set policy of December 21, 1976. The potential for the implementation of an industrial siting plan in light of these regulations is particularly critical. These Federal requirements are permissive to the extent that they allow states and local air pollution agencies to adopt regulations which are as restrictive or more restrictive to industry than the Federal rules. Both the Act and the EPA policy appear to provide the Bay Area with more latitude in developing an off-set or "trade-off" program than has previously been taken. It is this latitude which might provide the key to effective implementation of the proposed Tier One (Specific Facility Siting Component). However, it must also be noted that the proposed air quality control measures in the draft Environmental Management Plan may significantly reduce this latitude.

The remainder of this addendum establishes the link between the development of a new off-set policy for the Bay Area and an industrial siting plan, and describes the relevant sections of the Clean Air Act and EPA regulation. The law is less than clear in defining the allowable terms of an off-set policy but it suggests that a new policy be developed in the context of a comprehensive regional plan. This would be consistent with air quality planning carried out in the Environmental Management Plan.

It is clear the Congress intended and the Clean Air Act Amendments allow for an off-set policy in non-attainment areas. Such a policy would allow for economic growth, specifically major point sources such as manufacturing and processing industries, at the same time a region strives to attain the national ambient air quality standards. It is a policy which the states and local agencies have been given the right, authority and flexibility to implement. An offset policy must be developed alongside and be closely integrated with the State Implementation Plan (SIP). The Air Quality Maintenance Plan (AQMP) for this region will become an amendment to the SIP.

Several experiences in other states with off-set appear to many observers more as fairly arbitrary techniques to allow specific industrial facilities than genuine efforts to balance industrial growth with environmental protection as a part of a comprehensive air quality maintenance planning program. In contrast, the use of off-sets for Tier One (Specific Facility Siting Component) industrial siting would provide for trade-off within the context of a clearly defined program.

Such a program would give those industries faced with being excluded from the Bay Area a clear statement of how they might be sited through joint efforts by themselves and government. It must be recognized that such an approach may not be successful for every facility. The region might provide a method of emission allowances, under the Air Quality Maintenance Plan, based on basinwide reduction of hydrocarbons from the full range of point, mobile and area source control programs. For example, a regionwide effort to reduce car travel greater than that adopted in the AQMP could be

used as a trade-off for a new auto plant. Similarly, a new industry using Best Available Control Technology that located near a transit line and which was assessed a special tax to be used on a basinwide effort to reduce hydrocarbon emissions could also provide a method of off-set.

The following is a description of the relevant sections of the Act and the EPA regulation. This interpretation of the New Source Review off-set policy under the Clean Air Act Amendments of 1977 comes primarily from the following Sources:

- o "Clean Air Act Amendments of 1977"
- o Conference Report on H.R. 6161 (Clean Air Act Amendments)
- o "U.S. Code Congressional and Administrative News" August 7, 1977 (Testimony and Congressional Record, Clean Air Amendments)
- o "Federal Register" December 21, 1976, p. 55524 ff. (EPA New Source Review Off-set Policy)

I. Clean Air Act Sections 172 and 173

A. Section 172 allows the issuance of a permit to newly construct or substantially modify a major stationary source only if there is an SIP consistent with Section 110 (a) (2) (J) of the Clean Air Act and meets the standards (NAAQS) by 12/31/81. This provision takes effect on July 1, 1979. Prior to that date the EPA off-set regulation ((41) Federal Register 55524-12/21/76) or a more stringent and accepted local or state regulation will apply. An explanation of that regulation also follows. After July 1, 1979, the permit program must conform to Section 173 of the Clean Air Act as explained below.

In order to issue permits after July 1, 1979, the SIP must meet the following requirements relevant to off-set:

1. Provide "implementation of all reasonable available control measures as expeditiously as practicable";
2. Constitute "reasonable further progress" with industries using at least "reasonable available control technology";
3. Identify and quantify emissions to be allowed as a result of major new sources;
4. Require permits for construction consistent with Section 173 of the Act;
5. Contain emission limitations and schedules of compliance;
6. Evidence public, local and state involvement and contain an assessment of impacts;

7. Include evidence that State, local governments or regional agency designated by locals has power to get compliance; and

8. If it is adequately demonstrated to EPA that for photochemical oxidant and CO the NAAQS can not be met by 1982, a SIP would be allowed to indicate attainment by 1987, but it must have:

   a. an analysis of alternative sites, sizes, production processes and environmental control techniques for a proposed facility, which demonstrates benefits which significantly outweigh environmental and social costs;

   b. an established schedule for vehicle emission control inspection and maintenance; and

   c. identify other measures necessary to attain the standards.

Since it is expected that the Bay Area will make such a demonstration, it will therefore have to have this industrial site analysis capacity.

B. Section 173 defines the permissible permit program after 1979 and appears to set out a new basis for an off-set like policy. Congressional testimony and the Conference Committee Report were clear that off-set was to be allowed. Section 173 states that a permit may be issued after July 1, 1979 if three criteria are met:

1. The permit agency finds:

   a. at the time of commencement of operations the new existing sources will have total emissions less than the SIP target levels and reasonable further progress toward the standards is being achieved, (thus allowing for off-set) or

   b. the new source will not exceed the allowance levels for such pollutants which the SIP has targeted for new sources (thus establishing the alternative of annual emission allowances for new sources in a region).

2. The new source will have "lowest achievable emission rate."

3. The owner of the proposed new source also agrees to bring all other major sources of the owner into compliance with the standards.

II. Federal Register December 21, 1976 -- EPA Off-Set Policy

Prior to July 1, 1979, the EPA-promulgated regulation will apply. The regulation outlines an off-set policy which could become a part of an acceptable new source review permit program for major new or

modified sources. Federal regulation establishes limits which states or local agencies may meet or adopt more strict regulation. At the same time, states or local agencies have discretion to grant off-set, case-by-case or as a part of an overall program.

A. The Federal Register sets forth the quantitative emission rates of each pollutant which would qualify a new source as a major one and thus subject to New Source Review. It also states that the emission rate for the new source must conform to the New Source Performance Standards or the SIP established standards whichever is stricter. These are emission limitations. Whether a new source will be permitted then depends on its affect on the ambient air quality. This determination would be based on impact modelling.

B. If it is determined that the new source would exacerbate existing violations of NAAQS (non-attainment), the conditions for approving would include the following:

1. The new source must meet "lowest achievable emission rate";

2. The owner of the new source must agree that all other sources in the air basin under the same ownership will be in conformance with SIP;

3. Any off-set will result in net gain for the air basin in achieving the standards for the same pollutant; and

4. The off-set will provide a net air quality benefit in affected area.

C. The following restrictions are also placed on the use of off-set:

1. Credit for off-set purposes may be allowable for existing controls that go beyond that required by the SIP;

2. Off-set may only be made for the same pollutant;

3. Fuel switch would be permitted as off-set;

4. Off-sets should generally be measured at peak hours;

5. Replacing one reactive hydrocarbon with one initially less reactive would not be permissible off-set because all hydrocarbons are eventually reactive but more than one for one would be permissible;

6. No "banking" of emissions will be allowed, but phased construction and public multi-faceted strategies are permitted;

7. New sources which will emit NO_x and/or hydrocarbons can find off-set anywhere in air basin.